

REPORT TO: CABINET – 17 September 2012

SUBJECT: REVENUE AND CAPITAL BUDGETS, KEY ACTIVITY AND RISK MONITORING 2012-13

BY: JOHN SIMMONDS – CABINET MEMBER FOR FINANCE & BUSINESS SUPPORT
ANDY WOOD – CORPORATE DIRECTOR OF FINANCE & PROCUREMENT
CORPORATE DIRECTORS

SUMMARY:

Members are asked to:

- note the latest monitoring position on the revenue and capital budgets.
 - agree the changes to revenue cash limits within the ELS portfolio to reflect finalisation of the restructure of the directorate.
 - agree the changes to revenue cash limits within the ASC&PH portfolio largely to reflect realignment of budgets in line with 2011-12 outturn and to more accurately reflect the nature of spend being incurred, the allocation of the NHS Support for Social Care Grant and PCT Reablement funding.
 - agree the changes to revenue cash limits within the EHW & R&E portfolios to reflect changes required to Highways budgets to reflect the agreed contract with Enterprise, revisions to waste contracts, and realignment of budgets in light of the 2011-12 outturn and levels of external funding.
 - agree the changes to revenue cash limits within the BSS directorate affecting the BSP&HR, F&BS, D&P & R&E portfolios reflecting the finalisation of the effects of restructuring and realignment of gross and income levels in light of the 2011-12 outturn and external funding levels.
 - note that residual pressures are currently forecast within the SCS portfolio and management action is expected to be delivered within the ELS & BSP&HR portfolios in order to deliver a balanced position.
 - note and agree the changes to the capital programme.
 - note the latest financial health indicators and prudential indicators.
 - note the directorate staffing levels as at the end of June.
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1. INTRODUCTION

1.1 Following the Finance restructure, which saw a 30% reduction in the function, the level of finance support is now dependent on the level of financial risk, so that the highest risk areas receive more finance support than the lower risk budgets. At the time of producing this report, Phase 1 of ERP (Enterprise Resource Planning) had been rolled out so that all budget managers within Customer & Communities, Finance and all other low risk budgets across the authority are now responsible for submitting their financial forecasts into Collaborative Planning, the new financial forecasting system. Since the production of this report, Phase 2a has also been rolled out with phases 2b and 3 to follow later. This is a significant change for both budget managers and Finance staff alike, as the ERP system is new for all. Finance staff are doing everything in their power to make the transition as smooth as possible, whilst attempting to instil some cultural change. This is the first monitoring report produced since these new finance support arrangements took effect from 1 April and it is the first full monitoring report to Cabinet for 2012-13.

1.2 The format of this report is:

- This summary report highlights only the most significant issues

- There are 7 reports, each one an annex to this summary, one for each directorate although there are two for Families & Social Care (FSC) separately identifying Children's and Adult's services, and one for Financing Items. Each of these reports is in a standard format for consistency, and each one is a stand-alone report for the relevant directorate/service.

1.3 The style of the capital monitoring has changed this year to more closely reflect the budget book format, which is considered to be more appropriate given the duration of capital schemes. The capital monitoring now reports on the three year capital programme (2012-15) and focuses on real overspends and re-phasing which impacts on deadlines for service delivery. All projects within the capital programme have been assigned a red, amber or green status according to whether they are delivering to budget and on time.

1.4 **Headlines:**

1.4.1 **Revenue:**

- The latest forecast revenue position (excl Schools) before the implementation of management action is an underspend of £3.297m, which is an increase in the underspend of £0.565m since the July Cabinet report. Management action within the ELS & BSP&HR portfolios is currently expected to reduce this to an underspend of £4.568m, with a residual pressure currently forecast within the Specialist Children's Services portfolio. Robust monitoring arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.
- Within Specialist Children's Services there is a continuation of the demand led pressures experienced in 2011-12, together with pressures on staffing due to setting up the new county referral team, totalling £5.3m. Within this position, the activity levels for Fostering and Residential Services are a particular cause for concern as they are very high compared to the affordable level despite additional funding being provided in the 2012-15 MTP. However, there are a number of control measures and early intervention services which have been put in place that should mean costs will begin to reduce.
- The Asylum budget is forecast to breakeven following positive discussions with the UKBA and other councils. Under the grant rules we are unable to claim for the first 13 weeks after a young person is made All Rights Exhausted (ARE) unless we carry out a Human Rights Assessment. We have now agreed to undertake these assessments and staff have been trained accordingly, so this forecast position now assumes that the UKBA will fund the costs of supporting these young people until the point of their removal. Our current assumption is that all of our costs will be reimbursed, but if that is not the case this will add to our forecast pressure on Specialist Children's Services.
- Within Adult Social Care an underspend of £3.5m is forecast reflecting a continuation of the trends experienced in 2011-12 with lower than budgeted demand for direct payments, domiciliary care and day care. In addition, there is also reduced demand for nursing and residential care compared to the budgeted level. This is partially offset by increased demand for Supported Accommodation for clients with learning disabilities.
- Schools reserves are forecast to reduce by £1.9m this year as a result of 34 more schools converting to new style academy status, which allows them to take their reserves with them.
- A small pressure of £0.3m is forecast within the ELS portfolio on the non-delegated budgets mainly due to savings not being achieved as anticipated on an Attendance & Behaviour contract. Management action is expected to be delivered to offset this.
- The savings on the waste budgets experienced last year, mainly due to lower than budgeted waste tonnage, look set to continue in 2012-13, with a £1.9m saving forecast.
- Within the C&C portfolio a £0.5m underspend is forecast which is largely due to vacancy management and delays in the opening of Gateways.
- Savings are being made on the debt charges budget largely as a result of the re-phasing of the capital programme in 2011-12 and no new borrowing being taken in the first quarter of 2012-13.
- Within the BSP&HR portfolio, pressures are currently forecast within Property & Infrastructure (+£0.7m), where savings from vacating lease hold properties have not happened as quickly as anticipated due to service transformations and restructures throughout the Council together with a more cautious approach to capitalising expenditure. Also, there is a pressure within Human Resources (+£0.3m) due to under-delivery of challenging income targets within the Schools Personnel Service and pressures on staffing due to increased demand to support

many divisional restructures and service transformations. Management action is expected to be delivered to offset these pressures.

- We have recovered a further £3.298m to date during 2012-13 from our principal investments in the collapsed Icelandic Banks, bringing our total recovery so far to £32.516m, of which £13.682m relates to our investment with the UK registered Heritable Bank, £6.983m relates to our £17m investment with Landsbanki and £11.851m relates to our £15m investment with Glitnir.

1.4.2 Capital:

- The latest forecast capital position is a variance of -£6.290m. This is made up of an unfunded variance of +£3.076m, re-phasing to later years of -£15.248m, funded variances of £7.482m and project underspends of -£1.600m.

2. OVERALL MONITORING POSITION (excluding budgets delegated to schools)

2.1 Revenue

The net projected variance against the combined portfolio revenue budgets is an underspend of £4.568m after management action. Section 3 of this report provides the detail, which is summarised in Table 1a below.

Table 1a – Portfolio position – net revenue position before and after management action

Portfolio	Budget	Gross Variance	Proposed Management Action	Net Variance
	£k	£k	£k	£k
Education, Learning & Skills	+61,641	+325	-325	0
Specialist Children's Services	+154,358	+5,295	0	+5,295
Adult Social Care & Public Health	+337,025	-3,474	0	-3,474
Environment, Highways & Waste	+155,294	-2,228	0	-2,228
Customer & Communities	+82,199	-462	0	-462
Regeneration & Economic Development	+3,670	0	0	0
Finance & Business Support	+63,567	-3,699	0	-3,699
Business Strategy, Performance & Health Reform	+56,262	+1,020	-946	+74
Democracy & Partnerships	+7,547	-74	0	-74
TOTAL (excl Schools)	+921,563	-3,297	-1,271	-4,568
<i>Schools (ELS portfolio)</i>	0	+1,902	0	+1,902
TOTAL	+921,563	-1,395	-1,271	-2,666

2.2 Capital

The Capital Programme 2012-15 has an approved budget of £621.156m. The forecast outturn against this budget is £614.866m, giving a variance of -£6.290m. This is made up of an unfunded variance of +£3.076m, rephasing to later years of -£15.248m, funded variances of +£7.482m and project underspends of -£1.600m.

3. REVENUE

3.1 Virements/changes to budgets

3.1.1 Directorate cash limits have been adjusted to include:

- the roll forward from 2011-12 of £17.242m, £3m for Big Society as approved by Cabinet on 14 May 2012, £6m for highways maintenance as approved by Cabinet on 14 June and £8.242m as approved by Cabinet on 9 July 2012 which includes the use of the uncommitted balance of £5.316m as a transfer to the economic downturn reserve.
- the inclusion of a number of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set or adjustments to the level of grant allocation assumed in the budget following confirmation from the awarding bodies. These are detailed in Appendix 1.

- 3.1.2 In addition, the budgets within the Education Learning & Skills directorate have been realigned to reflect the finalisation of the directorate restructure. Further details are provided in section 1.1 of annex 1. **Cabinet is asked to agree these changes.**
- 3.1.3 Also, a detailed exercise to realign budgets within the FSC directorate affecting the Adult Social Care & Public Health portfolio has been undertaken. This mainly affects the Mental Health budgets, where realignment is required in order to reflect the new agreement between KCC and Kent & Medway NHS & Social Care Partnership Trust and the difference between the projected 31 March 2012 activity levels and unit costs at the time the 2012-13 budget was set compared to the actual activity as at 31 March 2012, and the allocation of NHS Support for Social Care Grant, where further information regarding allocations and spending plans has become available since the budget setting process. Further details are provided in section 1.1 of annex 3. **Cabinet is asked to agree these changes.**
- 3.1.4 A similar exercise has been undertaken within the E&E directorate affecting the EH&W and R&ED portfolio budgets, which as well as reflecting changes as a result of the 2011-12 outturn also reflects changes required following revisions to waste contracts and external funding levels, as well as changes to highways budgets to reflect the agreed contract with Enterprise. Further details are provided in section 1.1 of annex 4. **Cabinet is asked to agree these changes.**
- 3.1.5 Within Business Strategy & Support directorate, budgets have been realigned to reflect the finalisation of the effects of restructuring and realignment of gross and income levels in light of the 2011-12 outturn and external funding levels. This affects the R&ED, F&BS, BSP&HR and D&P portfolios. Further details are provided in section 1.1 of annex 6. **Cabinet is asked to agree these changes.**
- 3.1.6 All other changes to cash limits reported this quarter are considered “technical adjustments” i.e. where there is no change in policy, including allocation of grants and previously unallocated budgets and savings targets where further information regarding allocations and spending plans has become available since the budget setting process, and where adjustments have been necessary to better reflect the split of services across the A-Z budget headings.
- 3.1.7 Specialist Children’s Services is currently going through a restructure and cash limits will need to be realigned later in the year, once the new structure is finalised and in place. This will impact on the variances reflected within this report against the individual A-Z budget lines of the SCS portfolio, but not on the overall position for the portfolio.

3.2 Forecast Revenue Position before Management Action

3.2.1 Table 1b – Portfolio/Directorate position – gross revenue position **before** management action

Portfolio	Budget	Variance	Directorate					
			ELS	FSC	E&E	C&C	BSS	FI
	£k	£k	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	+61,641	+325	+325					
Specialist Children's Services	+154,358	+5,295	0	+5,295				
Adult Social Care & Public Health	+337,025	-3,474		-3,474				
Environment, Highways & Waste	+155,294	-2,228			-2,228			
Customer & Communities	+82,199	-462				-462		
Regeneration & Economic Development	+3,670	0			0		0	
Finance & Business Support	+63,567	-3,699					-150	-3,549
Business Strategy, Performance & Health Reform	+56,262	+1,020		0			+1,020	0
Democracy & Partnerships	+7,547	-74					-74	0
SUB TOTAL (excl Schools)	+921,563	-3,297	+325	+1,821	-2,228	-462	+796	-3,549
<i>Schools (ELS portfolio)</i>	<i>0</i>	<i>+1,902</i>	<i>+1,902</i>					
TOTAL	+921,563	-1,395	+2,227	+1,821	-2,228	-462	+796	-3,549

3.2.2 **Table 1c** – Gross, Income, Net (GIN) position – revenue (**before** management action)

Portfolio	CASH LIMIT			VARIANCE		
	Gross	Income	Net	Gross	Income	Net
	£k	£k	£k	£k	£k	£k
Education, Learning & Skills	+178,292	-116,651	+61,641	+906	-581	+325
Specialist Children's Services	+218,613	-64,255	+154,358	+5,372	-77	+5,295
Adult Social Care & Public Health	+451,345	-114,320	+337,025	-8,355	+4,881	-3,474
Environment, Highways & Waste	+179,811	-24,517	+155,294	-1,521	-707	-2,228
Customer & Communities	+136,873	-54,674	+82,199	-1,093	+631	-462
Regeneration & Economic Development	+5,660	-1,990	+3,670	0	0	0
Finance & Business Support	+170,708	-107,141	+63,567	-5,469	+1,770	-3,699
Business Strategy, Performance & Health Reform	+100,388	-44,126	+56,262	+305	+715	+1,020
Democracy & Partnerships	+7,807	-260	+7,547	-16	-58	-74
SUB TOTAL (excl Schools)	+1,449,497	-527,934	+921,563	-9,871	+6,574	-3,297
<i>Schools (ELS portfolio)</i>	+742,696	-742,696	0	+1,902	0	+1,902
TOTAL	+2,192,193	-1,270,630	+921,563	-7,969	+6,574	-1,395

A reconciliation of the above gross and income cash limits to the approved budget is detailed in **Appendix 1**.

3.3 Table 2 below details all projected revenue variances over £100k, in size order (shading denotes that a pressure/saving has an offsetting entry which is directly related). Supporting detail to each of these projected variances is provided in individual Directorate reports as follows:

- Annex 1 Education, Learning & Skills**
incl. Education, Learning & Skills and elements of Specialist Children's Services portfolios
- Annex 2 Families & Social Care – Children's Services**
incl. Specialist Children's Services portfolio
- Annex 3 Families & Social Care – Adult Services**
incl. Adult Social Care & Public Health portfolio and elements of Business Strategy, Performance & Health Reform portfolio
- Annex 4 Enterprise & Environment**
incl. Environment, Highways & Waste portfolio and elements of Regeneration & Economic Development portfolios
- Annex 5 Customer & Communities**
incl. Customer & Communities portfolio
- Annex 6 Business Strategy & Support**
incl. elements of Regeneration & Economic Development, Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios
- Annex 7 Financing Items**
incl. elements of the Finance & Business Support, Business Strategy, Performance & Health Reform and Democracy & Partnerships portfolios

Table 2 - All Revenue Budget Variances over £100k in size order by portfolio

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 34 schools converting to academies	+1,902	ELS	Education Psychology Service (income) - income from traded services with schools and other customers	-495
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550			
ELS	Education Psychology Service (gross) - additional costs of providing traded service	+274			
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs	+200			
	ELS PORTFOLIO TOTAL	+2,926		ELS PORTFOLIO TOTAL	-495
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+2,215	SCS	Fostering - Gross - Independent Fostering - forecast unit cost lower than budgeted	-531
SCS	Children's Social Care staffing - Gross - New County Referral Unit	+1,279	SCS	Preventative Children's Services - Gross - Costs re-classified as fostering	-530
SCS	Residential - Gross - Non Dis Independent Sector - forecast weeks higher than budgeted	+1,226	SCS	Leaving Care - Gross - decrease in demand as 16-18 yr olds remaining in foster care	-484
SCS	Fostering - Gross - Independent - fostering costs moved from S.17	+530	SCS	Fostering - Gross - Kinship Non LAC - move to related fostering	-374
SCS	Fostering - Gross - Related foster payments - increase in reward payments	+437	SCS	Residential - Gross - Non Dis Independent Sector - forecast unit cost lower than budgeted	-294
SCS	Residential - Gross - Dis Independent sector - Increase in high cost placements	+425	SCS	Preventative Children's Services - Gross - management action and more detailed guidance on Section 17 payments	-291
SCS	Fostering - Gross - County fostering team agency costs	+384	SCS	Children's social care staffing - Gross - staffing	-285
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related fostering	+374	SCS	Virtual School Kent - Gross - Staffing	-278
SCS	Residential - Gross - KCC residential Dis - Staffing - permanent relief workers	+324	SCS	Preventative Children's Services - Gross - Costs re-classified as legal costs	-129
SCS	Safeguarding - Gross - Staffing	+202	SCS	Fostering - Gross - Kinship Non LAC - move to SGO	-112
SCS	Fostering - Gross - Non Related (in house) - enhanced payments for carers of disabled children	+186	SCS	Residential - Income -income for Non LAC placements	-104
SCS	Fostering - Gross - Non Related (in house) - forecast weeks higher than budgeted	+176			
SCS	Residential - Gross - Non LAC Placements	+174			
SCS	Legal Charges - Gross - increased	+156			
SCS	Legal Charges - Gross - costs moved from S.17	+129			
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+112			
SCS	Children's Support Services - Gross - Staffing OOH Team	+102			
SCS	Leaving Care - Gross - staffing	+101			
	SCS PORTFOLIO TOTAL	+8,532		SCS PORTFOLIO TOTAL	-3,412

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Supported Accommodation - Learning Disability Gross: forecast number of weeks higher than affordable level	+1,536	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks below affordable level	-1,444
ASCPH	Domiciliary Care - Older People Income: forecast charge lower than budgeted level	+1,255	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks is lower than the affordable level	-1,369
ASCPH	Residential Care - Older People Income: forecast unit charge lower than the budgeted level	+1,015	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,348
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,010	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-1,175
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+961	ASCPH	Direct Payments - Older People Gross: forecast number of weeks below affordable level	-1,163
ASCPH	Supported Accommodation - Learning Disability Income: forecast unit charge is lower than budgeted level	+854	ASCPH	Residential Care - Learning Disability Gross: unit cost is lower than budgeted level	-989
ASCPH	Supported Accommodation - Learning Disability Gross: additions to the social care costs reserve	+767	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks below affordable level	-827
ASCPH	Residential Care - Learning Disability Income: preserved rights lower forecast charge than budgeted level	+762	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than the budgeted level	-818
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks higher than affordable level	+653	ASCPH	Residential Care - Physical Disability Gross: forecast number of weeks lower than affordable level	-795
ASCPH	Domiciliary Care - Physical Disability Gross: forecast unit cost higher than budgeted level	+507	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-789
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+461	ASCPH	Domiciliary Care - Physical Disability Gross: forecast no of hours lower than affordable level	-610
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than budgeted level	+380	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost is lower than the budgeted level	-597
ASCPH	Domiciliary Care - Older People Income: forecast number of hours lower than affordable level	+355	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-552
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+306	ASCPH	Domiciliary Care - Learning Disability Income: forecast unit charge greater than budgeted level	-469
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+289	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-436
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than budgeted level	+252	ASCPH	Residential Care - Learning Disability Income: forecast unit charge is higher than the budgeted level	-392
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge below the affordable level	+244	ASCPH	Residential Care - Older People Gross: preserved rights number of weeks forecast to be lower than affordable level	-392
ASCPH	Direct Payments - Physical Disability Gross: one-off direct payments	+216	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-327

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Direct Payments - Older People Income: forecast number of weeks below affordable level	+169	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-318
ASCPH	Residential Care - Physical Disability Gross: forecast unit cost is higher than the budgeted level	+157	ASCPH	Direct Payments - Physical Disability Gross: forecast unit cost lower than affordable level	-310
ASCPH	Contributions to Voluntary Organisations Gross: review and commissioning of new services to support transformation agenda	+157	ASCPH	Residential Care - Older People Gross: savings on in-house service & Integrated Care Centres due to OP modernisation strategy	-255
ASCPH	Residential Care: Physical Disability Income: forecast unit charge lower than budgeted level	+139	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-236
ASCPH	Domiciliary Care - Learning Disability Income: forecast number of hours lower than affordable level	+139	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-204
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks is lower than affordable level	+131	ASCPH	Day Care - Learning Disability Gross: savings on the commissioning of external day care services	-185
ASCPH	Direct Payments - Older People Gross: forecast unit cost is above budgeted level	+129	ASCPH	Domiciliary Care - Older People Gross: forecast unit cost lower than budgeted level	-166
ASCPH	Residential Care: Physical Disability Gross: pressure on preserved rights	+125	ASCPH	Direct Payments - Learning Disability Gross: forecast unit cost below affordable level	-150
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on provision of domi care to clients within extra care sheltered housing	+115	ASCPH	Adult Social Care Staffing: Staff Savings	-137
			ASCPH	Direct Payments - Physical Disability Income: forecast unit charge greater than budgeted level	-136
			ASCPH	Supported Accommodation - Physical Disability/Mental Health - Income: forecast unit charge is higher than budgeted level	-112
	ASC&PH PORTFOLIO TOTAL	+13,084		ASC&PH PORTFOLIO TOTAL	-16,701
EHW	Highways:General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Disposal Contracts - reduced level of residual waste being processed	-440
EHW	Highways:Traffic Management - Lane rental scheme development costs	+145	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage	-350
EHW	Highways:Tree Maintenance, grass cutting and weed control - Additional weed control activity	+100	EHW	Highways:Traffic Management - Permit Scheme income	-326
			EHW	Household Waste Recycling Centres - additional income from textiles contract	-313
			EHW	Landfill Tax - level of waste below affordable level	-241
			EHW	Strategic Management & Directorate support budgets - pensions	-227
			EHW	Recycling Contracts and Composting - reduced level of waste	-211
			EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
	EH&W PORTFOLIO TOTAL	+477		EH&W PORTFOLIO TOTAL	-2,228

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
C&C	Consumer Direct: Reduction in income linked to lower call volumes	+438	C&C	Consumer Direct: Reduced staff numbers in line with reduced call volumes	-412
			C&C	Trading Standards & KSS: Staff Vacancies	-197
			C&C	Gateways: rephasing of Gateway programme/ opening dates of Herne Bay & Swanley	-139
			C&C	Community Wardens: Staff vacancies	-137
	C&C PORTFOLIO TOTAL	+438		C&C PORTFOLIO TOTAL	-885
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	savings on debt charges & MRP due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-3,149
			F&BS	underspend on leases	-400
			F&BS	2012-13 write down of discount saving from 2008-09 debt restructuring	-159
			F&BS	Finance & Procurement Gross - staffing underspend	-150
	F&BS PORTFOLIO TOTAL	+159		F&BS PORTFOLIO TOTAL	-3,858
BSPHR	Property & Infrastructure Gross - extension to leasehold payments; more cautious approach to capitalising expenditure	+1,351	BSPHR	Governance & Law Gross - revised business objectives	-1,025
BSPHR	Governance & Law Income - revised business objectives	+1,025	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-700
BSPHR	Human Resources Income - under-recovery of income target by Schools Personnel Service	+515	BSPHR	Human Resources Gross - under-spend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-360
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+151			
	BSP&HR PORTFOLIO TOTAL	+3,042		BSP&HR PORTFOLIO TOTAL	-2,085
		+28,658			-29,664

3.4 Key issues and risks

3.4.1.1 Education, Learning & Skills portfolio: Forecast (excl. schools) +£0.325m

It has not been possible to generate the anticipated savings on an Attendance & Behaviour contract. This has implications for the 2013-14 budget and alternative savings will need to be found. This pressure is partially offset in the current year by a net surplus on traded activity within the Education Psychology Service. Further details are provided in Annex 1.

3.4.1.2 Education, Learning & Skills portfolio – Schools Delegated: Forecast +£1.902m

The first monitoring returns from schools are not due until October. Therefore this forecast relates entirely to the reduction in schools reserves resulting from an anticipated 34 schools converting to academy status and taking their reserves with them.

3.4.2 **Specialist Children's Services portfolio: Forecast +£5.295m**

There has been a continuation of the pressures experienced during 2011-12 mainly on Fostering, and Residential Children's Services. In addition, there is a pressure on Children's Social Care staffing, as a result of the new county referral unit which has been set up in advance of the main SCS restructure. Further details are provided in Annex 2.

3.4.3 **Adult Social Care & Public Health portfolio: Forecast -£3.474m**

There is a continuation of the trends experienced in 2011-12 with lower than budgeted demand for direct payments, domiciliary care and day care. In addition, there is also reduced demand for nursing and residential care compared to the budgeted level. These underspends are partially offset by increased demand for Supported Accommodation for clients with learning disabilities. Further details are provided in Annex 3.

3.4.4 **Environment, Highways & Waste portfolio: Forecast -£2.228m**

This underspend largely relates to the waste budgets, reflecting a continuation of the savings experienced in 2011-12 as a result of lower than budgeted waste tonnage and new income streams from recyclates. Within Highways and Transportation, additional costs of dual carriageway maintenance, additional weed control as a result of the particularly rainy weather and development costs for a lane rental scheme are offset by additional income from the Permit Scheme. In addition there is underspending against the directorate pensions budget. Further details are provided in Annex 4.

3.4.5 **Customer & Communities portfolio: Forecast -£0.462m**

This underspend is largely due to vacancy management within Trading Standards (including Kent Scientific Services) and Community Wardens, together with a delay in the opening of the Herne Bay and Swanley Gateways providing a saving on running costs in this financial year. In addition, there is a reduction in the call volumes being experienced within Consumer Direct resulting in a loss of income, as income is calculated on a price per call, however this is offset by reduced staffing costs in line with the reduction in call volumes. Further details are detailed in Annex 5.

3.4.6 In the Business Strategy & Support directorate, the key issues by portfolio are:

3.4.6.1 **Finance & Business Support portfolio: Forecast -£0.150m**

This underspend is as a result of many appointments being made to the new structure at the bottom of the grade, whereas the budget is set at the mid-point of grade.

3.4.6.2 **Business Strategy, Performance & Health Reform portfolio: Forecast +£1.020m**

Pressures are forecast within Property & Infrastructure where savings from vacating lease hold properties have not happened as quickly as anticipated due to changes in requirements as a result of service transformations and restructures throughout the Council, together with a more cautious approach to capitalising expenditure in response to changes in accounting requirements. A pressure is also forecast within Human Resources due to the under-delivery of challenging income targets within the Schools Personnel Service and pressures on staffing due to increased demand to support many divisional restructures and service transformations. In addition, there is a shortfall in income within Governance & Law and a compensating underspend on staffing and related costs, which reflects the impact of the Evolution, Efficiency & Enterprise project, which is seeking to reduce the cost of legal services to the council. Management action is expected to be delivered to offset these pressures.

Further details are provided in Annex 6.

3.4.7 The key issues within the Financing Items budgets are:

3.4.7.1 **Finance & Business Support portfolio: Forecast -£3.549m.**

There are savings on the net debt charges budget as a result of deferring borrowing in 2011-12 due to the re-phasing of the capital programme, cash balances have been relatively high and no new borrowing has been taken in the first quarter of 2012-13. Also, due to the re-phasing of the capital programme in 2011-12, it is likely that fewer assets became operational than expected and therefore we are anticipating a saving on Minimum Revenue Provision (MRP). The current year write down of the discount saving from the debt restructuring undertaken in 2008-09 is being transferred to the Economic Downturn reserve as planned and there are savings on the leases budget reflecting a continuation of the trend in recent years. Further details are provided in Annex 7.

3.4.8 By the end of the financial year, management action is expected to be delivered to achieve a balanced budget within the Education, Learning & Skills and Business Strategy, Performance & Health Reform portfolios, with an overall underspend of £4.568m forecast at this stage. In the context of a savings requirement of £100m and on the back of delivering a £95m saving target last year, this is a very promising position at this stage of the year. The forecasts show that the vast majority of the £100m savings are on track to be delivered. The intention remains that where delivery proves to be unlikely, that equivalent savings elsewhere within the relevant portfolio will be made as appropriate. The position will be closely monitored throughout the remainder of the financial year and every effort will be made to ensure that we remain within a balanced position.

3.5 Implications for future years/MTFP

3.5.1 The key issues and risks identified above will need to be addressed in directorate medium term plans (MTFP) for 2013-16. Although most pressures, excluding those within Specialist Children's Services (SCS), are forecast to be largely offset by management action this year, some of the management action is likely to be one-off or not sustainable for the longer term. There are other pressures which, although not hugely significant this year, will also need addressing in the MTFP. These are detailed in the Annex reports. With regard to the pressures within SCS, controls and early intervention services have been put in place, which are expected to reduce the financial pressure on these services over the medium term.

4. CAPITAL

4.1 The Capital Programme 2012-15 has an approved budget of £621.156m. The forecast outturn against this budget is £614.866m, giving a variance of -£6.290m. This is made up of an unfunded variance of +£3.076m, rephasing to later years of -£15.248m, funded variances of +£7.482m and project underspends of -£1.600m.

4.2 Table 1 – Revised approved budget

	Portfolios							
	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Approved budget last reported to Cabinet	619.936	21.201	28.088	18.815	273.935	173.654	103.493	0.750
Approvals made since last reported to Cabinet	1.220	0.267	5.997	-5.570	0.161	0.346	0.025	-0.006
Revised approved budget excl PFI	621.156	21.468	34.085	13.245	274.096	174.000	103.518	0.744

4.3 Table 2 – Further approvals to budget for Cabinet to approve

	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
Scheme	£m	£m	£m	£m	£m	£m	£m	£m
Public Rights of Way	0.070			0.070				
Public Rights of Way	0.120			0.120				
Public Rights of Way	0.035			0.035				
Tunbridge Wells Library	0.025			0.025				
Community Facilities - Edenbridge	0.006			0.006				
MASH	0.025							0.025
Integrated Transport Schemes	0.130					0.130		
Integrated Transport Schemes	0.118					0.118		
Integrated Transport Schemes	0.287					0.287		
Coldharbour Gypsy Site	0.240					0.240		
Sittingbourne Northern Relief Rd	0.037					0.037		
Energy Water Investment Fund	0.296					0.296		
Energy Efficiency - solar panels			-0.193					
Energy efficiency in the KCC estate			0.193					
Various	-0.030	-0.031			0.001			
Total	1.359	-0.031	0.000	0.256	0.001	1.108	0.000	0.025

4.4 Table 3 – Summary of variance

	Portfolios							
	Total	Adults Social Care & Public Health	Business Strategy, Performance & Health Reform	Customer & Communities	Education, Learning & Skills	Environment, Highways & Waste	Regeneration & Economic Development	Specialist Childrens Services
	£m	£m	£m	£m	£m	£m	£m	£m
Unfunded variance	3.076	0.000	0.000	0.000	0.000	1.203	0.000	1.873
Funded variance (from table 2)	1.359	-0.031	0.000	0.256	0.001	1.108	0.000	0.025
Variance to be funded from revenue	6.123	0.000	0.000	0.063	0.000	6.000	0.000	0.060
Project Underspend	-1.600	0.000	-0.700	0.000	0.000	-0.900	0.000	0.000
Rephasing (beyond 2012-15)	-15.248	-1.418	0.000	0.000	0.000	-4.120	-9.710	0.000
Total variance	-6.290	-1.449	-0.700	0.319	0.001	3.291	-9.710	1.958

4.5 Summary of schemes with real variance over £0.100m and proposed actions to mitigate:

4.5.1 The following schemes have been identified which show a real unfunded variance in excess of £0.100m:

- Drovers Roundabout-M20 /J9 (+£1.203m) – E&E

Construction of the scheme was completed in October 2011 with the opening of the feature bridge over the M20. Several significant claims remain to be agreed with the contractor. The forecast overspend of £1.203m is based on the current estimated cost of the final settlement and is expected to be funded by additional grant.

- MASH – (+£1.898m) - SCS

Latest MASH estimates show a forecast variance of £1.898m in 2012-13. This reflects a continuing pressure. There is anticipated funding of £0.825m external funding - £0.800m of which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £1.073m, the funding of which is yet to be resolved.

4.6 Summary of schemes whereby completion is delayed and impact on delivery:

- Sittingbourne Northern Relief Road: (Re-phased to later years) – E&E

Construction of the Relief Road was completed in December 2011. Landscaping, operational and remedial works are to be completed during this financial year. The remainder of the forecast spend relates to Land Compensation Act Part 1 claims. This expenditure has been re-phased because of the inherent uncertainty in the timing and settlement of claims. Claims can be made at anytime up to 7 years after scheme opening although most are received within the first 2 years. Progress on settling claims is dependent on the attitude of claimants' agents and past experience has shown that full closure of all claims can take several years.

- East Kent Access Road Phase 2 : (Re-phased to later years) – E&E

Construction of the scheme was completed in May 2012. Good progress is being made on the commercial aspects and it is expected that the final contract cost will be agreed in this financial year. Initial traffic management works on bypassed roads are underway and it is expected that full completion of such measures will also be completed during this financial year. However, it is likely that settlement of Land Compensation Act Part 1 claims will take longer than originally envisaged and so this expenditure has been re-phased.

- HWRC – Tonbridge & Malling (re-phased to later years) – E&E

This project is in the early planning stages and is now expected to be completed in future years.

- Kent Thameside Strategic Transport Programme (re-phasing brought forward into 12-15) – E&E

Some projects within the programme have been accelerated and funding for these has been brought forward from future years.

- Regional Growth Fund – Regeneration & Economic Development

The rephasing of -£9.710m into 2016-17 is due to the re-profiling of the programme based on the best estimates of applications expected for the Expansion East Kent Fund.

- Community Care Centre – Thameside Eastern Quarry/Ebbsfleet

Rephasing of £1.418m to 2015/16. This is dependent on the housing development which is not progressing at the expected rate. This scheme is to be funded from developer contributions.

- Edenbridge Community Centre

The contractor has submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. This has had the impact of a delay to the opening of the centre from October 2012 to January 2013. The fixed price Design and Build contract means that there are no financial risks to KCC but the estimated completion date has been elongated.

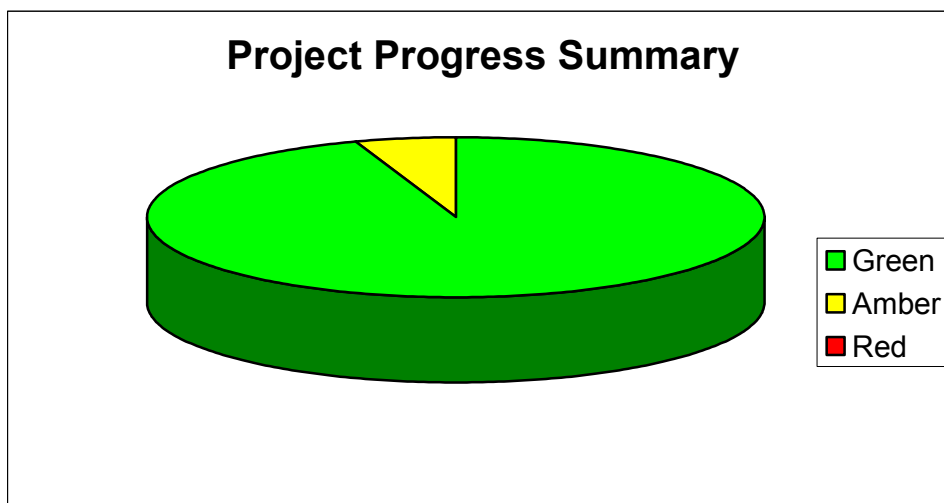
4.7 Summary of projects by Status

4.7.1 All projects within the capital programme have been assigned a Red, Amber or Green status using the following assessments:

- 4.7.2 Green – Projects on time and budget
 Amber – Projects either delayed, or over ¹budget
 Red – Projects both delayed and over budget

4.7.3 Table 5 – Project Progress summary by Directorate

	Green - number of schemes	Amber - number of schemes	Red - number of schemes	Total Number of Schemes
ELS	57	0	0	57
FSC	23	2	0	25
E&E	31	5	0	36
C&C	20	1	0	21
BSS	30	1	0	31
	161	9	0	170



¹ Only show as over budget if unfunded and above £100k or 10% of project budget. Any considered amendments to projects, for which additional funding is available would not be deemed as over budget.

4.8 Good News Stories

- The Kent History and Library Centre

The Kent History and Library Centre opened ahead of schedule on 23rd April 2012. The new centre provides 14 linear metres of specialist archive shelving, with a Community History area and Archives searchroom where customers can look at original documents. This replaces the old archive centres at Centre for Kentish Studies and Whitfield.

The building also houses a new public library for Maidstone to replace Springfield and Maidstone St Faiths libraries, thereby combining four buildings into one with integrated front of house staffing.

The building also has many 'green' features including a green wall, sedum roof and biodiesel boilers.

- East Kent Access Phase 2

East Kent Access Phase 2 was successfully completed and opened to traffic on 23 May 2012 at an opening event attended by Norman Baker MP Under Secretary of State for Transport. The construction contract involving a complex box tunnel thrust under a railway and road has been achieved on time and budget. CPO land negotiations and particularly Land Compensation Act Part 1 claims will continue for several years but there is confidence that the overall project will be delivered within the budget.

- A2 Cyclopark

A charitable trust was established in May of this year and took on the operation of Cyclopark. It was formally launched to the public on Sunday 27 May by Hugh Robertson MP, Minister for Sport. On the day over 1,000 people took part in the Skyride event, whilst others enjoyed the BMX tracks, mountain bike track, skateboard park, extensive children's play area and 100 seat cafe.

The park has remained open to the public since that date whilst other work has been ongoing to complete further facilities and increase the offer in terms of retail and workshop space. The trust is actively seeking tenants for these spaces but in the meantime is offering cycle hire facilities. CCTV and parking payment facilities are now in the process of being installed.

Having operated the cycle track for events in advance of the formal opening, Cyclopark has already secured bookings for over 170 specific events and the Trust received over 400 applications for membership during its first week of opening to the public.

5. FINANCIAL HEALTH

5.1 The latest Financial Health indicators, including cash balances, our long term debt maturity, outstanding debt owed to KCC, the percentage of payments made within 20 and 30 days and the recent trend in inflation indices (RPI & CPI) are detailed in **Appendix 2**.

5.2 The latest monitoring of Prudential Indicators is detailed in **Appendix 3**.

6. RISK MANAGEMENT

6.1 A work plan has been established to address the findings of the recently published Internal Audit report on risk management, which gave a 'limited' opinion on the Council's formal risk management arrangements, while acknowledging that Cabinet and the Corporate Management Team continued to manage risks throughout the year.

- 6.2 A small dedicated Risk Management team is now in place to take this agenda forward. A Corporate Risk Manager was appointed in May (on secondment to April 13) and both Risk Monitoring Officers have been in post since mid-June. Four of the ten audit report recommendations have been completed, with the rest due to be completed, or systems in place by end of Quarter 3 2012-13.
- 6.3 Since the audit, the Risk Management team has completed the following work:
- Corporate Risk Register updated following the CMT / Cabinet risk workshop in spring 2012, and circulated to CMT, Cabinet members and Governance & Audit Committee members.
 - KCC's Risk Management Policy reviewed and updated to reflect the new governance arrangements;
 - Risk Management guidance reviewed and updated, including production of a management guide to Risk Management, replacing the previous Statement of Required Practice. A series of quick reference guides for managers now feature on a revamped KNet site, to complement a new risk management toolkit.
 - Risk Management training has been re-established for Members and Officers. Officer training is now part of the Kent Manager programme and e-Induction.
 - A Risk Management database has been procured and is being configured for roll-out, with piloting to begin in September.
 - Risk reporting arrangements have been re-established, to fit with the new governance arrangements;
 - The team has been giving support and advice to Directorate & Divisional Management Teams to facilitate the re-establishment / refresh of divisional & directorate risk registers.
 - A risk management session with Cabinet and Corporate Management Team is scheduled for the autumn, to facilitate review and refresh of the current Corporate Risk Register.
 - The team has been liaising with other Local Authorities and public as well as private sector bodies to look for best practice.

7. REVENUE RESERVES

- 7.1 The table below reflects the projected impact of the current forecast spend and activity for 2012-13 on our revenue reserves:

Account	Actual Balance at 31/3/12 £m	Projected Balance at 31/3/13 £m	Movement £m
Earmarked Reserves	141.3	117.4	-23.9
General Fund balance	31.7	31.7	-
Schools Reserves *	59.1	57.2	-1.9

* Both the table above and section 2.1 of annex 1 include delegated schools reserves and unallocated schools budget.

- 7.2 The reduction of £23.9m in earmarked reserves includes the contribution to a new council tax equalisation reserve of £7.5m, and a £2m contribution to the Invest to Save reserve, together with the £5m drawdown from reserves, which were all approved as part of the 2012-13 budget, as well as other planned movements in reserves such as IT Asset Maintenance, earmarked reserve to support the 2012-13 budget, Kingshill Smoothing, prudential equalisation, economic downturn reserve, revenue reserve to support projects previously classified as capital eg Member Highway Fund, Elections, repairs and renewals funds and PFI equalisation reserves, together with the anticipated movements in the Insurance Reserve, Regeneration Fund, dilapidations, NHS support for social care, rolling budget and Restructure reserves.
- 7.3 The reduction of £1.9m in the schools reserves is due to an anticipated 34 schools converting to academy status and therefore taking their reserves with them. The value of school reserves is very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once the first monitoring returns have been received from schools.

8. STAFFING LEVELS

8.1 The following table provides a snapshot of the staffing levels by directorate as at 30 June 2012 compared to the numbers as at 31 March 2012, based on active assignments. Between 31 March 12 and 30 June 12, there has been a reduction of 875.28 FTEs of which 659.66 were in schools and 215.62 were non-schools.

		Mar-12	Jun-12	Difference	
				Number	%
KCC	Assignment count	44,226	42,875	-1,351	-3.05%
	Headcount (inc. CRSS)	37,399	36,226	-1,173	-3.14%
	Headcount (exc. CRSS)	33,274	32,061	-1,213	-3.65%
	FTE	24,389.61	23,514.33	-875.28	-3.59%
KCC - Non Schools	Assignment count	13,901	13,671	-230	-1.65%
	Headcount (inc. CRSS)	12,652	12,430	-222	-1.75%
	Headcount (exc. CRSS)	10,865	10,613	-252	-2.32%
	FTE	9,186.64	8,971.02	-215.62	-2.35%
BSS	Assignment count	1,673	1,559	-114	-6.81%
	Headcount (inc. CRSS)	1,665	1,555	-110	-6.61%
	Headcount (exc. CRSS)	1,646	1,540	-106	-6.44%
	FTE	1,523.86	1,427.96	-95.90	-6.29%
ELS	Assignment count	1,646	1,589	-57	-3.46%
	Headcount (inc. CRSS)	1,585	1,526	-59	-3.72%
	Headcount (exc. CRSS)	1,295	1,237	-58	-4.48%
	FTE	990.93	947.65	-43.28	-4.37%
C&C	Assignment count	3,971	3,941	-30	-0.76%
	Headcount (inc. CRSS)	3,415	3,398	-17	-0.50%
	Headcount (exc. CRSS)	2,274	2,239	-35	-1.54%
	FTE	1,730.35	1,706.67	-23.68	-1.37%
E&E	Assignment count	1,205	1,198	-7	-0.58%
	Headcount (inc. CRSS)	1,190	1,184	-6	-0.50%
	Headcount (exc. CRSS)	1,079	1,072	-7	-0.65%
	FTE	1,028.29	1,026.00	-2.29	-0.22%
FSC	Assignment count	5,406	5,384	-22	-0.41%
	Headcount (inc. CRSS)	4,897	4,865	-32	-0.65%
	Headcount (exc. CRSS)	4,611	4,560	-51	-1.11%
	FTE	3,913.21	3,862.74	-50.47	-1.29%
Schools	Assignment count	30,325	29,204	-1,121	-3.70%
	Headcount (inc. CRSS)	24,932	23,960	-972	-3.90%
	Headcount (exc. CRSS)	22,487	21,517	-970	-4.31%
	FTE	15,202.97	14,543.31	-659.66	-4.34%

CRSS = Staff on Casual Relief, Sessional or Supply contracts

Notes:

If a member of staff works in more than one directorate they will be counted in each. However, they will only be counted once in the Non Schools total and once in the KCC total.

If a member of staff works for both Schools and Non Schools they will be counted in both of the total figures. However, they will only be counted once in the KCC Total.

9. RECOMMENDATIONS

Cabinet is asked to:

- 9.1 **Note** the latest monitoring position on both the revenue and capital budgets.
- 9.2 **Agree** the changes to revenue cash limits within the ELS portfolio as detailed in section 1.1.1 and 1.1.2 of annex 1.
- 9.3 **Agree** the realignment of revenue budgets within the ASC&PH portfolio as detailed in section 1.1.1 and 1.1.2 of annex 3.
- 9.4 **Agree** the realignment of revenue budgets within E&E directorate affecting the EH&W and R&E portfolios as detailed in section 1.1.1 and 1.1.2 of annex 4.
- 9.5 **Agree** the changes to revenue cash limits within the BSS directorate affecting the R&E, BSP&HR, F&BS & D&P portfolios as detailed in section 1.1.1 and 1.1.2 of annex 6.
- 9.6 **Note** that residual pressures are currently forecast within the SCS portfolio and that management action is expected to be delivered within the ELS & BSP&HR portfolios.
- 9.7 **Note** and **agree** the changes to the capital programme, as detailed in section 4.3.
- 9.8 **Note** the latest Financial Health Indicators and Prudential Indicators as reported in appendix 2 and appendix 3 respectively.
- 9.9 **Note** the directorate staffing levels as at the end of June 2012 as provided in section 8.

Reconciliation of Gross and Income Cash Limits in Table 1c to the Budget Book

Portfolio	CASH LIMIT			
	Gross	Income	Net	
	£k	£k	£k	
ELS Schools	753,962	-753,962	0	
ELS	166,200	-106,680	59,520	
SCS	217,877	-64,526	153,351	
ASC&PH	452,204	-116,200	336,004	
EH&W	176,834	-27,299	149,535	
C&C	131,246	-51,320	79,926	
R&ED	5,174	-1,502	3,672	
F&BS	176,260	-113,897	62,363	
BSP&HR	89,961	-37,223	52,738	
D&P	7,472	-260	7,212	
Per Budget Book	2,177,190	-1,272,869	904,321	
Subsequent changes:				
ELS	2,000	0	2,000	Roll Forwards as agreed at 14 May Cabinet (Big Society Youth Employment Programme)
C&C	1,000	0	1,000	Roll Forwards as agreed at 14 May Cabinet (Big Society)
EHW	6,000	0	6,000	Roll Forwards as agreed at 11 June Cabinet (Highways Maintenance)
	7,992	250	8,242	Roll Forwards as agreed at 9 July Cabinet
Changes to grant/income allocations:				
ELS	48	-48	0	Golden Hellos funding from DfE Teaching Agency
ELS	-61	61	0	DCLG PFI grant adjustment for Swan Valley
ELS	279	-279	0	Summer Schools funding paid via the DfE Pupil Premium Grant
ELS	-1,879	1,879	0	Realignment of DfE Pupil Premium Grant to match school budgets as at April 2012
ASC&PH / F&BS	79	-79	0	Uplift in Learning Disability & Health Reform grant
ASC&PH	1,045	-1,045	0	Reablement funding from Health
C&C	200	-200	0	Gateways: DCLG Gurkha settlement fund
C&C	3,086	-3,086	0	C&C Strategic Management & Directorate support: DCLG grant for Tackling Troubled Families
C&C	-99	99	0	YOS: reduction in Youth Justice Board funding
C&C	-103	103	0	reduced Work Programme Funding within Supporting Independence & Employment due to reduction in intakes to the scheme
C&C	92	-92	0	YOS: contribution from Kent Police Authority of Youth Justice Board funding
C&C	118	-118	0	Youth: 2010-11 RIA for Youth Opportunities Fund
C&C	80	-80	0	Gateways: MOD funding for Dover tattoo - receipt in advance from 2011-12
C&C	313	-313	0	Gateways: Improvement & Efficiency South East funding for multichannel partnership working - receipt in advance from 2011-12
F&BS	27	-27	0	DCLG contribution to develop New Burdens Council Tax Benefit scheme
F&BS	9	-9	0	DCLG grant for Community Rights to Challenge New Burdens

Portfolio	CASH LIMIT			Net £k	
	Gross £k	Income £k			
					Technical Adjustments:
ELS	-150	150	0		correction to budget of treatment of wrong pension scheme payments - should be credit to gross and not income
ELS	-169	169	0		removal of recharging for school conferences
ELS	20	-20	0		special schools joining the school meals contract from August 2012
SCS	-25	25	0		SCS Management & Support: gross and income correction to budget build
ASC&PH	25	-25	0		ASC&PH Management & Support: gross and income correction to budget build
ASC&PH	-20	20	0		Other Adult Services: gross and income correction to budget build
ASC&PH	-93	93	0		ASC&PH Management & Support: removal of prior year one-off health funding budgets
ASC&PH	-8	8	0		LD Day Care: removal of income budget as day care moved from in-house provision to
ASC&PH	-657	657	0		realignment in light of 11/12 outturn, new partnership agreement between KCC & KMPT & reallocation of divisional budgets to services
ASC&PH	-131	131	0		Adult Social Care Staffing: removal of unachievable historic income target
ASC&PH	-1,189	1,189	0		Correction to budget: use of OP strategy funding to compensate for loss of income following the closure of in-house provision
ASC&PH	-602	602	0		Other Adult Services: gross and income realignment due to decline in OP meals service
EHW	-1,304	1,304	0		Environment Management - gross and income budget realignment not included in the budget build iro Kent Downs AONB
EHW	42	-42	0		Waste gross & income budget realignment
EHW	-605	605	0		Highways gross and income budget realignment
EHW	-915	915	0		Public Transport gross and income budget realignment
C&C	13	-13	0		Country Parks: gross and income budget realignment
C&C	-50	50	0		Trading Standards: removal of unachievable income target for KSS
C&C	-61	61	0		C&C Strategic Management & Directorate Support: gross and income budget realignment
C&C	-139	139	0		removal of internal recharging between CLS & Strategic Management & Directorate Support
C&C	-76	76	0		removal of internal recharging between KDAAT and YOS/Supporting People
C&C	-20	20	0		reduction in income from ELS for YOS
R&ED	487	-487	0		Regeneration gross and income budget realignment
F&BS	-1,029	1,029	0		Net Debt Charges (incl Investment Income) - gross and income realignment in respect of PEF2
F&BS/D&P	201	-201	0		Finance & Procurement gross and income budget realignment

Portfolio	CASH LIMIT			
	Gross	Income	Net	
	£k	£k	£k	
BSP&HR	1,200	-1,200	0	Property & Infrastructure gross and income adjustments to reflect recharging of costs to Community Learning Service
BSP&HR	-18	18	0	removal of internal recharging for historic hosting arrangements now property budgets are managed by Corporate Landlord
BSP&HR	40	-40	0	reinstate recharge of Business Strategy Risk post to Insurance Fund
BSP&HR	10	-10	0	Gross and income budget realignment within Performance Management
Revised Budget	2,192,193	-1,270,630	921,563	

FINANCIAL HEALTH INDICATORS

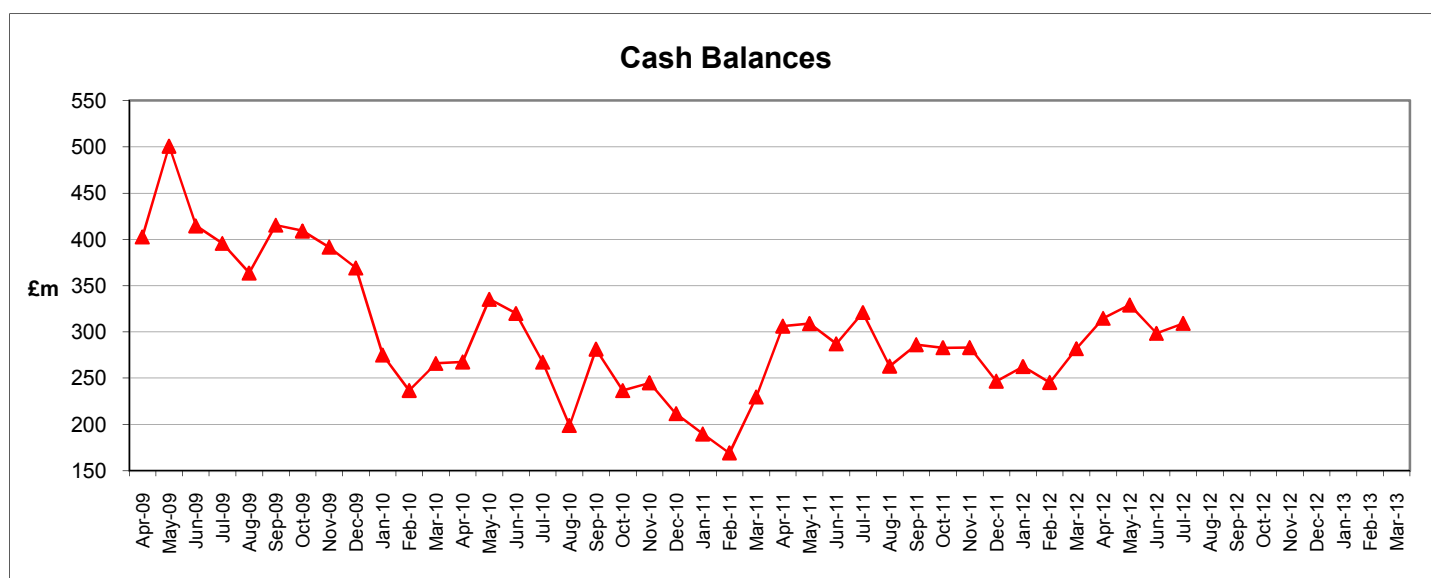
1. CASH BALANCES

The following graph represents the total cash balances under internal management by KCC at the end of each month in £m. This includes principal amounts currently at risk in Icelandic bank deposits (£17.83m), balances of schools in the corporate scheme (£44m), other reserves, and funds held in trust. KCC will have to honour calls on all held balances such as these, on demand. The remaining deposit balance represents KCC working capital created by differences in income and expenditure profiles.

Pension Fund cash balances were removed from KCC Funds on 1 July 2010 and are now being handled separately.

The overall downward trend in the cash balance since September 2009 reflects the Council's policy of deferring borrowing and using available cash balances to fund new capital expenditure (i.e. internalising the debt).

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	402.7	500.9	414.6	395.7	363.6	415.4	409.1	391.7	369.1	275.0	236.7	265.8
2010-11	267.4	335.2	319.8	267.2	198.7	281.3	236.4	244.9	211.5	189.5	169.1	229.5
2011-12	306.3	308.9	287.0	320.9	262.9	286.2	282.9	283.1	246.7	262.4	245.3	281.7
2012-13	314.6	329.2	298.4	309.1								



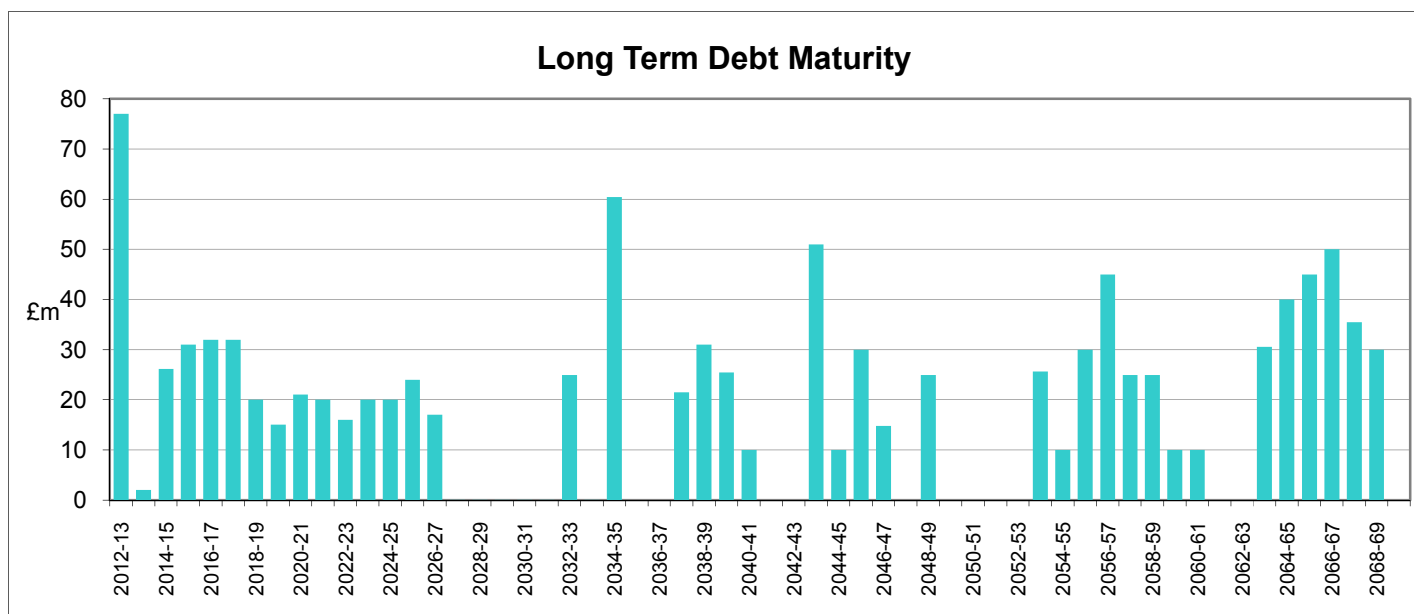
2. LONG TERM DEBT MATURITY

The following graph represents the total external debt managed by KCC, and the year in which this is due to mature. This includes £44.81m pre-Local Government Review debt managed on behalf of Medway Council. Also included is pre-1990 debt managed on behalf of the Further Education Funding council (£1.76m), Magistrates Courts (£0.827m) and the Probation Service (£0.131m). These bodies make regular payments of principal and interest to KCC to service this debt.

The graph shows total principal repayments due in each financial year. Small maturities indicate repayment of principal for annuity or equal instalment of principal loans, where principal repayments are made at regular intervals over the life of the loan. The majority of loans have been taken on a maturity basis so that principal repayments are only made at the end of the life of the loan. These principal repayments will need to be funded using available cash balances (i.e. internalising the debt), by taking new external loans or by a combination of the available options.

The total debt principal to be repaid in 2012-13 is £77.021m, £75m maturity loan and £2.021m relating to small annuity and equal instalment of principal loans.

Year	£m	Year	£m	Year	£m	Year	£m	Year	£m
2012-13	77.021	2024-25	20.001	2036-37	0.000	2048-49	25.000	2060-61	10.000
2013-14	2.015	2025-26	24.001	2037-38	21.500	2049-50	0.000	2061-62	0.000
2014-15	26.193	2026-27	17.001	2038-39	31.000	2050-51	0.000	2062-63	0.000
2015-16	31.001	2027-28	0.001	2039-40	25.500	2051-52	0.000	2063-64	30.600
2016-17	32.001	2028-29	0.001	2040-41	10.000	2052-53	0.000	2064-65	40.000
2017-18	32.001	2029-30	0.001	2041-42	0.000	2053-54	25.700	2065-66	45.000
2018-19	20.001	2030-31	0.001	2042-43	0.000	2054-55	10.000	2066-67	50.000
2019-20	15.001	2031-32	0.000	2043-44	51.000	2055-56	30.000	2067-68	35.500
2020-21	21.001	2032-33	25.000	2044-45	10.000	2056-57	45.000	2068-69	30.000
2021-22	20.001	2033-34	0.000	2045-46	30.000	2057-58	25.000	2069-70	0.000
2022-23	16.001	2034-35	60.470	2046-47	14.800	2058-59	25.000		
2023-24	20.001	2035-36	0.000	2047-48	0.000	2059-60	10.000	TOTAL	1,089.309



3. OUTSTANDING DEBT OWED TO KCC

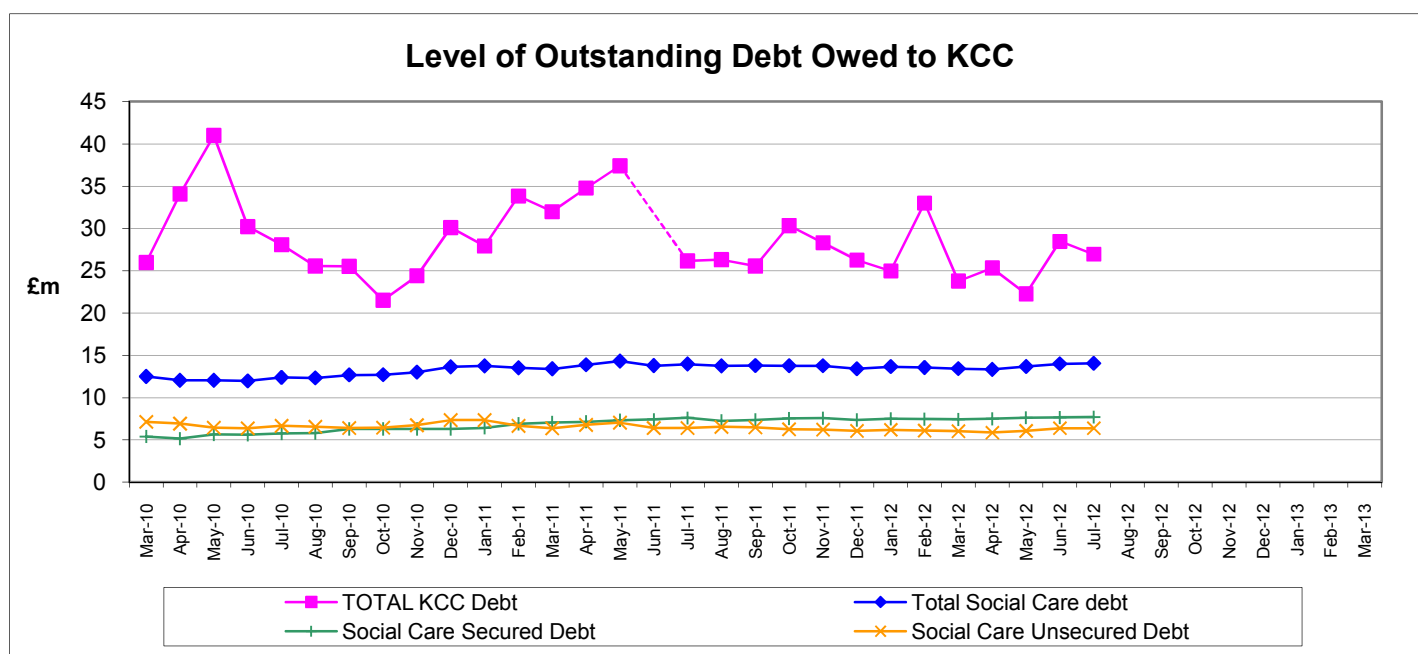
The following graph represents the level of outstanding debt due to the authority, which has exceeded its payment term of 30 days. The main element of this relates to Adult Social Services and this is also identified separately, together with a split of how much of the Social Care debt is secured (i.e. by a legal charge on the clients' property) and how much is unsecured.

	Social Care Secured Debt £m	Social Care Unsecured Debt £m	Total Social Care debt £m	FSC Sundry debt £m	TOTAL FSC debt £m	All Other Directorates Debt £m	TOTAL KCC Debt £m
March 10	5.387	7.127	12.514	1.643	14.157	11.818	25.975
April 10	5.132	6.919	12.051	2.243	14.294	19.809	34.103
May 10	5.619	6.438	12.057	3.873	15.930	25.088	41.018
June 10	5.611	6.368	11.979	3.621	15.600	14.648	30.248
July 10	5.752	6.652	12.404	4.285	16.689	11.388	28.077
Aug 10	5.785	6.549	12.334	5.400	17.734	7.815	25.549
Sept 10	6.289	6.389	12.678	4.450	17.128	8.388	25.516
Oct 10	6.290	6.421	12.711	3.489	16.200	5.307	21.507
Nov 10	6.273	6.742	13.015	4.813	17.828	6.569	24.397
Dec 10	6.285	7.346	13.631	6.063	19.694	10.432	30.126
Jan 11	6.410	7.343	13.753	6.560	20.313	7.624	27.937
Feb 11	6.879	6.658	13.537	7.179	20.716	13.124	33.840
March 11	7.045	6.357	13.402	11.011	24.413	7.586	31.999

	Social Care Secured Debt	Social Care Unsecured Debt	Total Social Care debt	FSC Sundry debt	TOTAL FSC debt	All Other Directorates Debt	TOTAL KCC Debt
	£m	£m	£m	£m	£m	£m	£m
April 11	7.124	6.759	13.883	10.776	24.659	10.131	34.790
May 11	7.309	7.023	14.332	11.737	26.069	11.338	37.407
June 11	7.399	6.381	13.780	*	13.780	*	13.780
July 11	7.584	6.385	13.969	4.860	18.829	7.315	26.144
Aug 11	7.222	6.531	13.753	4.448	18.201	8.097	26.298
Sept 11	7.338	6.467	13.805	4.527	18.332	7.225	25.557
Oct 11	7.533	6.241	13.774	6.304	20.078	10.276	30.354
Nov 11	7.555	6.215	13.770	5.886	19.656	8.671	28.327
Dec 11	7.345	6.063	13.408	5.380	18.788	7.469	26.257
Jan 12	7.477	6.185	13.662	5.518	19.180	5.792	24.972
Feb 12 #	7.455	6.102	13.557	12.661	26.218	6.800	33.018
Mar 12 #	7.411	6.018	13.429	2.881	16.310	7.476	23.786
April 12	7.500	5.845	13.345	6.530	19.875	5.445	25.320
May 12	7.620	6.063	13.683	4.445	18.128	4.146	22.274
June 12	7.630	6.369	13.999	4.133	18.132	10.353	28.485
July 12	7.693	6.373	14.066	4.750	18.816	8.145	26.961
Aug 12							
Sept 12							
Oct 12							
Nov 12							
Dec 12							
Jan 13							
Feb 13							
March 13							

* The June 2011 sundry debt figures are not available due to a system failure, which meant that the debt reports could not be run and as these reports provide a snapshot position at the end of the month, they cannot be run retrospectively.

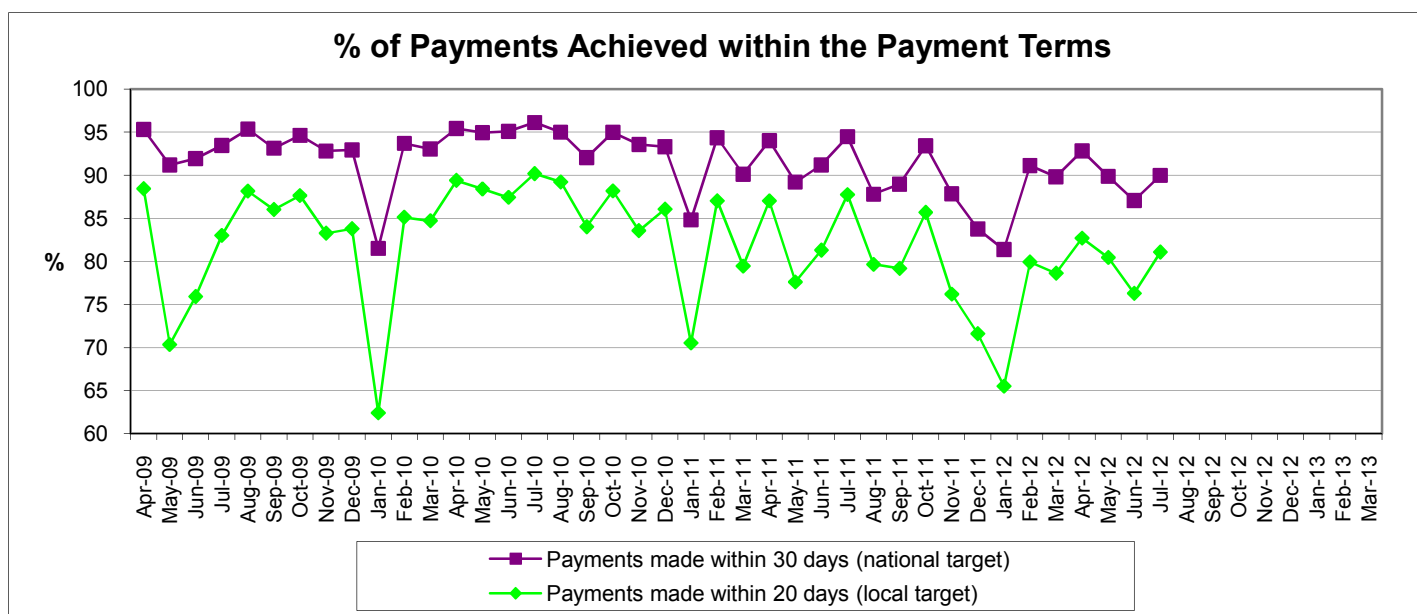
The previously reported social care debt figures for February and March 2012 included in error some debt that was not yet due i.e it was within the 4 week payment term. These figures have now been revised.



4. PERCENTAGE OF PAYMENTS MADE WITHIN THE PAYMENT TERMS

The following graph represents the percentage of payments made within the payments terms – the national target for this is 30 days, however from January 2009, we have set a local target of 20 days in order to help assist the cash flow of local businesses during the current tough economic conditions. We focus on paying local and small firms as a priority.

	2009-10		2010-11		2010-11		2012-13	
	Paid within 30 days %	Paid within 20 days %	Paid within 30 days %	Paid within 20 days %	Paid within 30 days %	Paid within 20 days %	Paid within 30 days %	Paid within 20 days %
April	95.3	88.4	95.4	89.4	94.0	87.0	92.8	82.7
May	91.2	70.4	95.0	88.4	89.2	77.6	89.9	80.4
June	91.9	75.9	95.1	87.4	91.2	81.3	87.1	76.3
July	93.5	83.0	96.1	90.2	94.5	87.7	90.0	81.1
August	95.3	88.2	95.0	89.2	87.8	79.7		
September	93.1	86.0	92.0	84.0	89.0	79.2		
October	94.6	87.6	95.0	88.2	93.4	85.7		
November	92.8	83.3	93.6	83.6	87.9	76.2		
December	92.9	83.8	93.3	86.1	83.8	71.6		
January	81.5	62.4	84.8	70.6	81.4	65.5		
February	93.7	85.1	94.3	87.0	91.1	79.9		
March	93.0	84.7	90.1	79.5	89.8	78.6		



The percentages achieved for January were lower than other months due to the Christmas break. This is evident in both 2009-10, 2010-11 and 2011-12. This position was exacerbated in 2009-10 due to snow. The 2012-13 year to date figure for invoices paid within 20 days is 80.3%, and within 30 days is 90.1%. This compares to overall performance in previous years as follows:

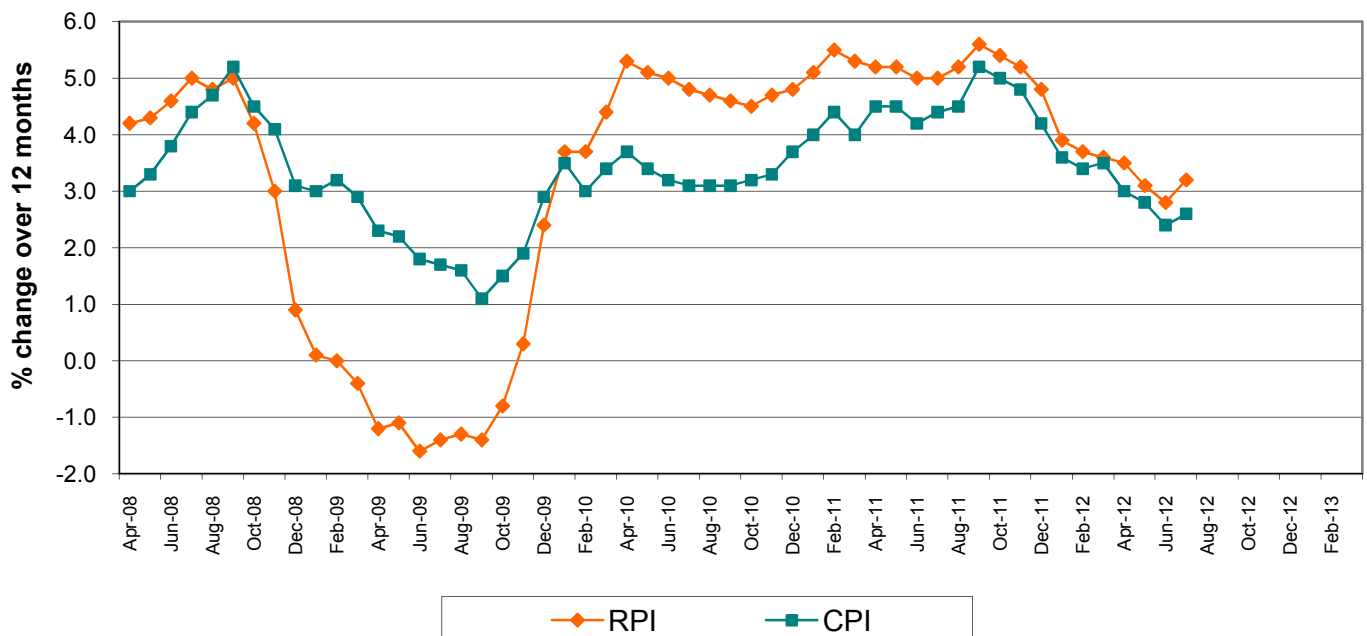
	20 days	30 days
2009-10	81.9%	92.6%
2010-11	85.4%	93.4%
2011-12	79.2%	89.4%
2012-13 to date	80.3%	90.1%

5. RECENT TREND IN INFLATION INDICES (RPI & CPI)

In the UK, there are two main measures of inflation – the Consumer Prices Index (CPI) and the Retail Prices Index (RPI). The Government’s inflation target is based on the CPI. The RPI is the more familiar measure of inflation, which includes mortgage interest payments. The CPI and RPI measure a wide range of prices. The indices represent the average change in prices across a wide range of consumer purchases. This is achieved by carefully recording the prices of a typical selection of products from month to month using a large sample of shops and other outlets throughout the UK. The recent trend in inflation indices is shown in the table and graph below.

	2008-09		2009-10		2010-11		2011-12		2012-13	
	Percentage Change over 12 months									
	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %	RPI %	CPI %
April	4.2	3.0	-1.2	2.3	5.3	3.7	5.2	4.5	3.5	3.0
May	4.3	3.3	-1.1	2.2	5.1	3.4	5.2	4.5	3.1	2.8
June	4.6	3.8	-1.6	1.8	5.0	3.2	5.0	4.2	2.8	2.4
July	5.0	4.4	-1.4	1.7	4.8	3.1	5.0	4.4	3.2	2.6
August	4.8	4.7	-1.3	1.6	4.7	3.1	5.2	4.5		
September	5.0	5.2	-1.4	1.1	4.6	3.1	5.6	5.2		
October	4.2	4.5	-0.8	1.5	4.5	3.2	5.4	5.0		
November	3.0	4.1	0.3	1.9	4.7	3.3	5.2	4.8		
December	0.9	3.1	2.4	2.9	4.8	3.7	4.8	4.2		
January	0.1	3.0	3.7	3.5	5.1	4.0	3.9	3.6		
February	0.0	3.2	3.7	3.0	5.5	4.4	3.7	3.4		
March	-0.4	2.9	4.4	3.4	5.3	4.0	3.6	3.5		

Recent Trend in Inflation Indices (RPI & CPI)



2012-13 Qtr 1 Monitoring of Prudential Indicators

1. Estimate of capital expenditure (excluding PFI)

Actual 2011-12	£265.761m	
Original estimate 2012-13	£278.885m	
Revised estimate 2012-13	£312.008m	(this includes the rolled forward re-phasing from 2011-12)

2. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)

	2011-12 Actual	2012-13 Original Estimate	2012-13 Forecast as at 31-07-12
	£m	£m	£m
Capital Financing Requirement	1,495.873	1,538.083	1,538.083
Annual increase in underlying need to borrow	22.273	21.939	21.939

In the light of current commitments and planned expenditure, forecast net borrowing by the Council will not exceed the Capital Financing Requirement.

3. Estimate of ratio of financing costs to net revenue stream

Actual 2011-12	12.85%
Original estimate 2012-13	11.77%
Revised estimate 2012-13	14.03%

4. Operational Boundary for External Debt

The operational boundary for debt is determined having regard to actual levels of debt, borrowing anticipated in the capital plan, the requirements of treasury strategy and prudent requirements in relation to day to day cash flow management.

The operational boundary for debt will not be exceeded in 2012-13

a) Operational boundary for debt relating to KCC assets and activities

	Prudential Indicator 2012-13 £m	Position as at 31.07.12 £m
Borrowing	1,154	1,045
Other Long Term Liabilities	0	0
	<hr/> 1,154	<hr/> 1,045

- (b) Operational boundary for total debt managed by KCC including that relating to Medway Council etc (pre Local Government Reorganisation)

	Prudential Indicator	Position as at
	2012-13	31.07.12
	£m	£m
Borrowing	1,198	1,089
Other Long Term Liabilities	0	0
	1,198	1,089

5. **Authorised Limit for external debt**

The authorised limit includes additional allowance, over and above the operational boundary to provide for unusual cash movements. It is a statutory limit set and revised by the County Council. The revised limits for 2012-13 are:

- a) Authorised limit for debt relating to KCC assets and activities

	£m
Borrowing	1,195
Other long term liabilities	0
	1,195
	1,195

- (b) Authorised limit for total debt managed by KCC including that relating to Medway Council etc

	£m
Borrowing	1,238
Other long term liabilities	0
	1,238
	1,238

The additional allowance over and above the operational boundary has not needed to be utilised and external debt, has and will be maintained well within the authorised limit.

6. **Compliance with CIPFA Code of Practice for Treasury Management in the Public Services**

The Council has adopted the Code of Practice on Treasury Management and has adopted a Treasury Management Policy Statement. Compliance has been tested and validated by our independent professional treasury advisers.

7. **Upper limits of fixed interest rate and variable rate exposures**

The Council has determined the following upper limits for 2012-13

Fixed interest rate exposure	100%
Variable rate exposure	50%

These limits have been complied with in 2012-13.

8. Upper limits for maturity structure of borrowings

	Upper limit	Lower limit	As at 31.07.12
	%	%	%
Under 12 months	10	0	7.1
12 months and within 24 months	25	0	0.2
24 months and within 5 years	40	0	8.2
5 years and within 10 years	30	0	9.9
10 years and within 20 years	30	10	8.9
20 years and within 30 years	30	5	15.9
30 years and within 40 years	30	5	12
40 years and within 50 years	40	10	16.6
50 years and within 60 years	40	10	21.2

9. Upper limit for principal sums invested for periods longer than 364 days

Indicator	Actual
£50m	£10m

EDUCATION, LEARNING & SKILLS DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

- 1.1.1 The cash limits which the directorate is working to, and **upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The directorate would like to request formal virement through this report to reflect adjustments to cash limits required as a result of the finalisation of the directorate restructure which took effect from 1 April 2012, as changes are required to the position assumed when the budget was set in February 2012. This involves movements between A-Z budget lines but overall this has no effect on the gross and income budgets.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget ie where there is no change in policy. These include:

- allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process together with the transfer of responsibilities between units where the effects of the Council restructure are still being refined. Overall these adjustments have increased the gross budget by £359k and increased income by £318k;
- changes to grant allocations, which have a net nil effect but a £1,613k reduction in both gross and income. These adjustments are all detailed in appendix 1 to the executive summary, "Reconciliation of gross and income cash limits in table 1c to the Budget Book" and includes changes to the Pupil Premium allocation;
- the addition of £2,000k roll forward from 2011-12 in respect of the Big Society Youth Employment Programme as approved by Cabinet in May and a further £80k of roll forward from 2011-12 as approved by Cabinet on 9 July 2012.

These changes have resulted in an overall increase in the gross budget of +£826k (+£359k – £1,613k + £80k + £2,000k) and a reduction in the income budget of +£1,295k (-£318k + £1,613k), giving a net +£2,121k impact overall.

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in May and July and the inclusion of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Education, Learning & Skills portfolio									
Delegated Budget:									
Schools Delegated Budgets	753,962	-753,962	0	742,696	-742,696	0	-11,266	11,266	0
TOTAL DELEGATED	753,962	-753,962	0	742,696	-742,696	0	-11,266	11,266	0
Non Delegated Budget:									
ELS Strategic Management & directorate support budgets	12,758	-9,342	3,416	12,824	-9,365	3,459	66	-23	43
Services for Schools:									
- PFI Schools Schemes	23,871	-23,871	0	23,810	-23,810	0	-61	61	0
- Schools' Meals	463	-463	0	566	-566	0	103	-103	0
- Schools' Non Delegated Staff Costs	2,644	-2,541	103	2,692	-2,589	103	48	-48	0
- Schools' Other Services	7,113	-6,646	467	7,113	-6,646	467	0	0	0
- Schools' Redundancy Costs	1,232	-1,232	0	1,232	-1,232	0	0	0	0
- School Improvement Services	5,581	-1,078	4,503	15,324	-10,821	4,503	9,743	-9,743	0
- Special School & Hospital Recoupment	1,660	-2,460	-800	1,660	-2,460	-800	0	0	0
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	7,829	-2,684	5,145	0	0	0
	50,393	-40,975	9,418	60,226	-50,808	9,418	9,833	-9,833	0
Children's Services									
- Education & Personal									
- 14 - 19 year olds	3,080	-1,540	1,540	5,250	-1,630	3,620	2,170	-90	2,080
- Attendance & Behaviour	18,852	-18,038	814	18,771	-17,957	814	-81	81	0
- Connexions	6,787	0	6,787	6,787	0	6,787	0	0	0
- Early Years & Childcare	5,448	-5,043	405	5,288	-4,883	405	-160	160	0
- Education Psychology Service	2,915	-13	2,902	2,915	-13	2,902	0	0	0
- Free School Meals	1,288	-1,288	0	1,288	-1,288	0	0	0	0
- Individual Learner Support	10,181	-8,983	1,198	10,378	-9,182	1,196	197	-199	-2
- Statemented Pupils	7,444	-7,444	0	7,444	-7,444	0	0	0	0
- Independent Special School Placements	12,549	-12,549	0	12,549	-12,549	0	0	0	0
	68,544	-54,898	13,646	70,670	-54,946	15,724	2,126	-48	2,078
Transport Services									
- Home to College Transport	1,973	-367	1,606	1,973	-367	1,606	0	0	0
- Mainstream HTST	13,600	-584	13,016	13,600	-584	13,016	0	0	0
- SEN HTST	17,272	0	17,272	17,272	0	17,272	0	0	0
	32,845	-951	31,894	32,845	-951	31,894	0	0	0
Assessment Services									
- Assessment of Children's Educational Needs	1,660	-514	1,146	1,727	-581	1,146	67	-67	0
TOTAL NON DELEGATED	166,200	-106,680	59,520	178,292	-116,651	61,641	12,092	-9,971	2,121
Total ELS portfolio	920,162	-860,642	59,520	920,988	-859,347	61,641	826	1,295	2,121
Specialist Children's Services portfolio									
Early Years Education	41,276	-39,500	1,776	41,276	-39,500	1,776	0	0	0
Total SCS portfolio	41,276	-39,500	1,776	41,276	-39,500	1,776	0	0	0
Total ELS directorate controllable	961,438	-900,142	61,296	962,264	-898,847	63,417	826	1,295	2,121

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Education, Learning & Skills portfolio							
Delegated Budget:							
Schools Delegated Budgets	742,696	-742,696	0	1,902		1,902	Estimated drawdown of reserves following 34 schools converting to academies
TOTAL DELEGATED	742,696	-742,696	0	1,902	0	1,902	
Non Delegated Budget:							
ELS Strategic Management & directorate support budgets	12,824	-9,365	3,459	-11	48	37	Legal costs +£200k
<u>Services for Schools:</u>							
- PFI Schools Schemes	23,810	-23,810	0	0	0	0	
- Schools' Meals	566	-566	0	0	0	0	
- Schools' Non Delegated Staff Costs	2,692	-2,589	103	0	0	0	
- Schools' Other Services	7,113	-6,646	467	57	-98	-41	
- Schools' Redundancy Costs	1,232	-1,232	0	0	0	0	
- School Improvement Services	15,324	-10,821	4,503	1	-1	0	
- Special School & Hospital Recoupment	1,660	-2,460	-800	0	0	0	
- Schools' Teachers Pension Costs	7,829	-2,684	5,145	0	0	0	
	60,226	-50,808	9,418	58	-99	-41	
<u>Children's Services</u>							
<u>- Education & Personal</u>							
- 14 - 19 year olds	5,250	-1,630	3,620	0	0	0	
- Attendance & Behaviour	18,771	-17,957	814	585	-35	550	unachievable contract saving
- Connexions	6,787	0	6,787	0	0	0	
- Early Years & Childcare	5,288	-4,883	405	0	0	0	
- Education Psychology Service	2,915	-13	2,902	274	-495	-221	Traded service with schools
- Free School Meals	1,288	-1,288	0	0	0	0	
- Individual Learner Support	10,378	-9,182	1,196	0	0	0	
- Statemented Pupils	7,444	-7,444	0	0	0	0	
- Independent Special School Placements	12,549	-12,549	0	0	0	0	
	70,670	-54,946	15,724	859	-530	329	
<u>Transport Services</u>							
- Home to College Transport	1,973	-367	1,606	0	0	0	
- Mainstream HTST	13,600	-584	13,016	0	0	0	
- SEN HTST	17,272	0	17,272	0	0	0	
	32,845	-951	31,894	0	0	0	
<u>Assessment Services</u>							
- Assessment of Children's Educational Needs	1,727	-581	1,146	0	0	0	
TOTAL NON DELEGATED	178,292	-116,651	61,641	906	-581	325	
Total ELS portfolio	920,988	-859,347	61,641	2,808	-581	2,227	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Specialist Children's Services portfolio							
Early Years Education	41,276	-39,500	1,776	0	0	0	
Total SCS portfolio	41,276	-39,500	1,776	0	0	0	
Total ELS directorate controllable	962,264	-898,847	63,417	2,808	-581	2,227	
Assumed Mgmt Action							
- ELS portfolio				-325		-325	
- SCS portfolio						0	
Total ELS <u>after</u> mgmt action	962,264	-898,847	63,417	2,483	-581	1,902	

1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Education, Learning & Skills portfolio:

Delegated Budgets

1.1.3.1 Schools Delegated Budgets: Gross +£1,902k

The forecast £1.902m drawdown of schools reserves shown in table 1b represents the estimated reduction in reserves resulting from 34 schools converting to academies, including 14 schools converting to academies by the end of July 2012 and a further 20 expected to convert before the end of March 2013

Non Delegated Budgets

1.1.3.2 ELS Strategic Management & Directorate Support Budgets: Gross -£11k, Income +£48k, Net +£37k

The ELS Strategic Management & Directorate Support Budget is reporting a gross underspend of £11k. However within this there is a pressure of £200k for Legal Services due to the legal costs incurred when schools convert to academies. It had been anticipated that academy legal costs would reduce significantly in 2012-13 as approximately 2/3rds of secondary schools had already converted or were in the process of converting during 2011-12. However there is an increase in the number of primary schools converting which contribute towards the overall pressure. The remaining gross variance is due to a number of underspends all under £100k in value.

1.1.3.3 **Children's Services – Education & Personal:**

a. Attendance & Behaviour: Gross +£585k, Income -£35k, Net +£550k

As part of the overall ELS savings target for 2012-13, a savings target was assigned to an Attendance & Behaviour contract which it has subsequently not been possible to generate, leading to a £550k pressure on this budget line. There are other minor gross variances of +£35k and income variances of -£35k.

b. Education Psychology Service: Gross +£274k, Income -£495k, Net -£221k

During 2012-13 the Kent Educational Psychology Service has begun to offer a range of traded services – as part of EduKent - that schools and other customers can purchase whilst continuing to provide statutory services to schools which are not chargeable. The income variance reflects the current level of buy back for the traded services and the gross expenditure variance largely reflects the additional expenditure but the overall position on the traded activity is a net surplus of some £221k.

Specialist Children's Services portfolio:

1.1.3.4 The latest forecast suggests an overspend of around £0.3m on payments to PVI providers for 3 and 4 year olds as the actual hours provided exceeds the budgeted number of hours for the summer term as per section 2.3. As this budget is funded entirely from DSG, any deficit will be carried forward to the next financial year in accordance with the regulations.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ELS	Schools delegated budgets (gross) - estimated drawdown of reserves following 34 schools converting to academies	+1,902	ELS	Education Psychology Service (income) - income from traded services with schools and other customers	-495
ELS	Attendance & Behaviour (gross) - unachievable contract saving	+550	ELS		
ELS	Education Psychology Service (gross) - additional costs of providing traded service	+274	ELS		
ELS	ELS Strategic Management & Directorate budgets (gross) - academy converter legal costs	+200			
		+2,926			-495

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

The failure to achieve savings against the Attendance & Behaviour contract in 2012-13 has an implication for the 2013-14 MTFP of £583k and therefore alternative savings will need to be identified.

1.1.6 Details of re-phasing of revenue projects:

None

1.1.7 Details of proposals for residual variance: [eg roll forward proposals; mgmt action outstanding]

The Directorate is facing an overall pressure of £325k, excluding schools, but will balance its budget by the end of the year. This will be done through a combination of holding some specific vacancies, increasing income from schools through expanding the trading activity and reviewing the running costs of all service units. The detailed options to ensure that savings of £325k can be identified by year end are currently being developed and proposals will go to ELS DMT in September.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Education Learning & Skills Directorate has an approved budget for 2012-15 of £274.096m excluding schools (see table 1 below). The forecast outturn against this budget is £274.097m, giving a variance of +£0.001m. After adjustments for funded variances and reductions in funding, the revised variance comes to nil (see table 3).

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	273.935	
Approvals made since last reported to Cabinet	0.161	
Revised approved budget	274.096	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

None

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	0.000
Funded variance (from table 2)	0.001
Variance to be funded from revenue	0.000
Rephasing (beyond 2012-15)	0.000
Total variance	0.001

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
Annual Planned Enhancement Programme	26.496	0.000	26.496	0.000	26.496	0.000	0.000	0.000	
Non Delegated Devolved Capital (PRU's)	0.653	0.000	0.653	0.000	0.653	0.000	0.000	0.000	
Ryarsh Primary School	0.169	0.000	0.169	0.000	0.169	0.000	0.000	0.000	
Archbishop Courteney (Site Purchase)	5.001	4.854	0.147	0.000	0.147	0.000	0.000	0.000	
Modernisation Programme 2008/09/10	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	
Specialist Schools Programme 2009/10	0.350	0.013	0.337	0.000	0.337	0.000	0.000	0.000	
Other Residual Projects :	-0.001	-0.001	0.000	0.000	0.000	0.000	0.000	0.000	
Special Schools Review - Phase 1	47.556	46.836	0.720	0.000	0.688	0.000	-0.032	-0.032	
Special Schools Review - Phase 2	3.000	1.677	1.323	0.000	1.355	0.000	0.032	0.032	
Vocational Education Programme	1.542	1.393	0.149	0.000	0.149	0.000	0.000	0.000	
Primary Improvement Programme	31.606	30.020	1.586	0.000	1.573	0.000	-0.013	-0.013	
Unit Review	3.500	0.816	2.684	0.000	2.684	0.000	0.000	0.000	
Dev Opps - Whitstable Community College	0.681	0.673	0.008	0.000	0.008	0.000	0.000	0.000	
Dev Opps - Swadelands	0.400	0.385	0.015	0.000	0.015	0.000	0.000	0.000	
Self Funded Projects	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Building Schools for the Future - Wave 3	138.438	133.154	5.284	0.000	5.284	0.000	0.000	0.000	
BSF Unit Costs	0.693	0.000	0.693	0.000	0.693	0.000	0.000	0.000	
Practical Cooking Spaces	3.695	3.693	0.002	0.000	0.002	0.000	0.000	0.000	
Academy Unit Costs	4.680	2.862	1.818	0.000	1.818	0.000	0.000	0.000	
Academy - New Line Learning	28.599	28.309	0.290	0.000	0.290	0.000	0.000	0.000	
Academy - Cornwallis Academy	35.328	33.460	1.868	0.000	1.868	0.000	0.000	0.000	
Academy - Longfield Academy	24.597	24.578	0.019	0.000	0.019	0.000	0.000	0.000	
Academy - Spires	13.694	10.440	3.254	0.000	3.254	0.000	0.000	0.000	
Academy - Sheppey	49.578	25.683	23.895	0.000	23.895	0.000	0.000	0.000	
Academy - Marsh	16.627	13.905	2.722	0.000	2.722	0.000	0.000	0.000	
Academy - Skinners	20.399	5.963	14.436	0.000	14.436	0.000	0.000	0.000	
Goat Lees Primary School	2.685	0.246	2.439	0.000	2.439	0.000	0.000	0.000	
Repton Park (Templar Barracks)	6.100	1.789	4.311	0.000	4.311	0.000	0.000	0.000	
Dunton Green Primary School	0.800	0.000	0.800	0.000	0.800	0.000	0.000	0.000	
Lansdowne Primary School	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
Cheesemans Green PS	4.300	0.000	0.000	4.300	0.000	4.300	0.000	0.000	
Rushenden Primary School	3.000	0.000	0.000	3.000	0.000	3.000	0.000	0.000	
Leybourne Primary School	2.000	0.000	0.000	2.000	0.000	2.000	0.000	0.000	
John Wesley, Ashford	2.500	0.000	0.000	2.500	0.000	2.500	0.000	0.000	
Aylesham Primary School	1.000	0.000	0.000	1.000	0.000	1.000	0.000	0.000	
Ebbsfleet	5.100	0.000	0.000	5.100	0.000	5.100	0.000	0.000	
BN Other	31.987	0.000	31.987	0.000	31.987	0.000	0.000	0.000	
Modernisation Programme 2008/09/10	3.000	0.389	2.611	0.000	2.611	0.000	0.000	0.000	
Modernisation Programme 2011/12	6.512	3.590	2.922	0.000	2.936	0.000	0.014	0.014	
Modernisation Programme Future Years	19.873	0.076	19.797	0.000	19.797	0.000	0.000	0.000	
Dev Opps - St Johns PS/Kingsmead	2.017	0.030	1.987	0.000	1.987	0.000	0.000	0.000	
Dev Opps - Platt CEPS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Academy - John Wallis	7.615	0.032	7.583	0.000	7.583	0.000	0.000	0.000	
Academy -- Wilmington Enterprise	13.056	0.200	12.856	0.000	12.856	0.000	0.000	0.000	
Academy - The Knole	16.947	0.000	16.947	0.000	16.947	0.000	0.000	0.000	
Academy - Dover Christchurch	10.252	0.134	10.118	0.000	10.118	0.000	0.000	0.000	
Academy - Astor of Hever	11.545	0.000	11.545	0.000	11.545	0.000	0.000	0.000	
Academy - Duke of York	24.240	0.000	24.240	0.000	24.240	0.000	0.000	0.000	
Special Schools Review - Phase 2	30.000	0.065	29.935	0.000	29.935	0.000	0.000	0.000	
Folkestone Academy Playing Fields	2.256	2.256	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Headcorn Primary School	1.184	0.000	0.000	1.184	0.000	1.184	0.000	0.000	
Dev Opps - Bromstone Primary	3.088	0.000	0.000	3.088	0.000	3.088	0.000	0.000	
Dev Opps - Highworth Grammar	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Istead Rise	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Paddock Wood	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Sevenoaks Primary	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Dev Opps - Whitehill Primary	0.950	0.000	0.000	0.950	0.000	0.950	0.000	0.000	
ELS Capital Programme Total	677.288	377.570	274.096	25.622	274.097	25.622	0.001	0.001	

- 1.2.8 **Status:**
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget
- 1.2.9 **Assignment of Green/Amber/Red Status**
- 1.2.10 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.
- 1.2.11 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.
- 1.2.12 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

- 1.2.13 No projects currently have been assigned the red or amber status.

Key issues and Risks

- 1.2.14 **Key Issues:** There are a number of large programmes of work within the approval to plan section of the monitoring where we continue to forecast at cash limit until individual projects have been submitted for approval to spend & have individual cash limits. These major programmes of work are Basic Need for Future years (£31.987m), Special Schools Review Phase 2 (£29.935m) & Modernisation Programme for Future Years (£19.972m).
- 1.2.15 **Risks :** As our programme is now based on the allocations received following the CSR the scale of risks has dropped considerably but it only provides certainty for the 2012-13 year. Future years are dependent upon government funding announcements later in the years.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number of schools with deficit budgets compared with the total number of schools:

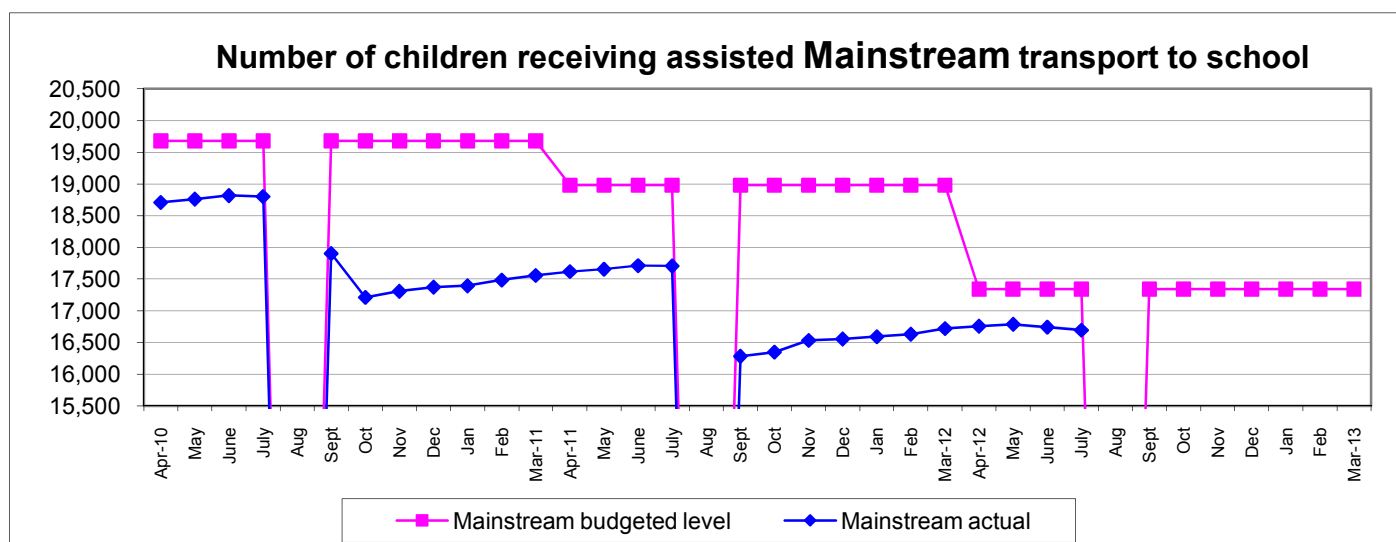
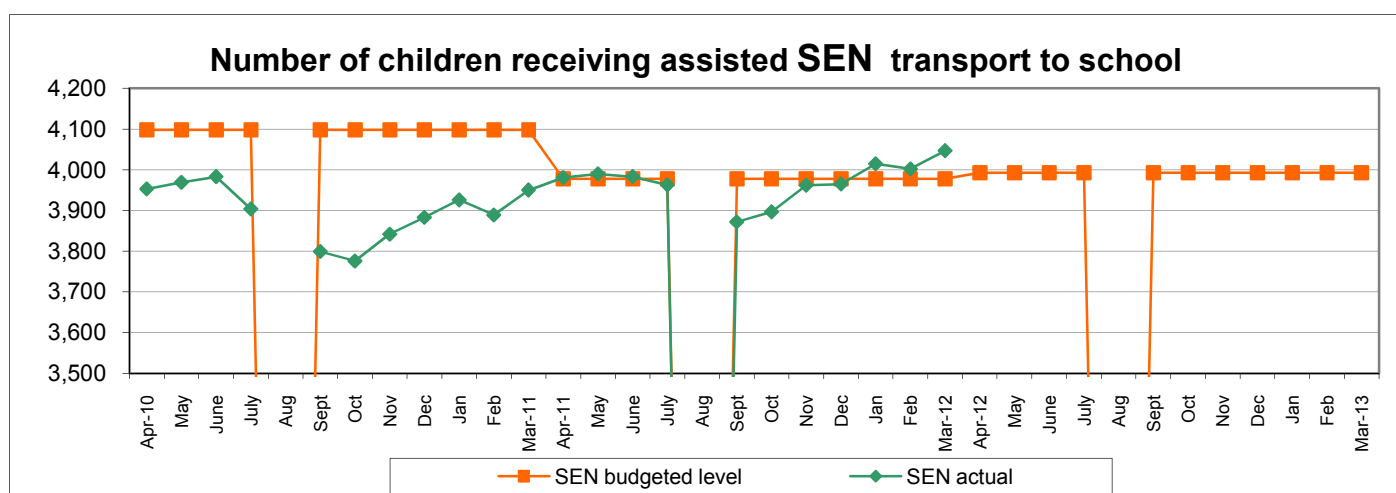
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	as at 31-3-07	as at 31-3-08	as at 31-3-09	as at 31-3-10	as at 31-3-11	as at 31-3-12	projection
Total number of schools	596	575	570	564	538	497	463
Total value of school reserves	£74,376k	£79,360k	£63,184k	£51,753k	£55,190k	£59,088k	£57,186k
Number of deficit schools	15	15	13	23	17	7	2
Total value of deficits	£1,426k	£1,068k	£1,775k	£2,409k	£2,002k	£833k	£51k

Comments:

- The information on deficit schools for 2012-13 has been obtained from the schools budget submissions. The Local Authority receives updates from schools through budget monitoring returns from all schools after 6 months, and 9 months as well as an outturn report at year end.
- KCC has a “no deficit” policy for schools, which means that schools cannot plan for a deficit budget at the start of the year. Unplanned deficits will need to be addressed in the following year’s budget plan, and schools that incur unplanned deficits in successive years will be subject to intervention by the Local Authority. School’s Financial Services are working with all schools currently reporting a deficit with the aim of returning the schools to a balanced budget position as soon as possible. This involves agreeing a management action plan with each school.
- The total number of schools is based on the assumption that 34 schools (including 6 secondary schools and 28 primary schools) will convert to academies before the 31st March 2013 in line with the government’s decision to fast track outstanding schools to academy status.
- The estimated drawdown from schools reserves of £1,902k represents the estimated reduction in reserves resulting from 34 schools converting to academy status, however the value of school reserves and deficits are very difficult to predict at this early stage in the year and further updates will be provided in future monitoring reports once we have collated the first monitoring returns from schools.

2.2 Numbers of children receiving assisted SEN and Mainstream transport to school:

	2010-11				2011-12				2012-13			
	SEN		Mainstream		SEN		Mainstream		SEN		Mainstream	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
April	4,098	3,953	19,679	18,711	3,978	3,981	18,982	17,620	3,993	4,055	17,342	16,757
May	4,098	3,969	19,679	18,763	3,978	3,990	18,982	17,658	3,993	4,064	17,342	16,788
June	4,098	3,983	19,679	18,821	3,978	3,983	18,982	17,715	3,993	4,099	17,342	16,741
July	4,098	3,904	19,679	18,804	3,978	3,963	18,982	17,708	3,993	4,106	17,342	16,695
Aug	0	0	0	0	0	0	0	0	0		0	
Sept	4,098	3,799	19,679	17,906	3,978	3,872	18,982	16,282	3,993		17,342	
Oct	4,098	3,776	19,679	17,211	3,978	3,897	18,982	16,348	3,993		17,342	
Nov	4,098	3,842	19,679	17,309	3,978	3,962	18,982	16,533	3,993		17,342	
Dec	4,098	3,883	19,679	17,373	3,978	3,965	18,982	16,556	3,993		17,342	
Jan	4,098	3,926	19,679	17,396	3,978	4,015	18,982	16,593	3,993		17,342	
Feb	4,098	3,889	19,679	17,485	3,978	4,002	18,982	16,632	3,993		17,342	
Mar	4,098	3,950	19,679	17,559	3,978	4,047	18,982	16,720	3,993		17,342	

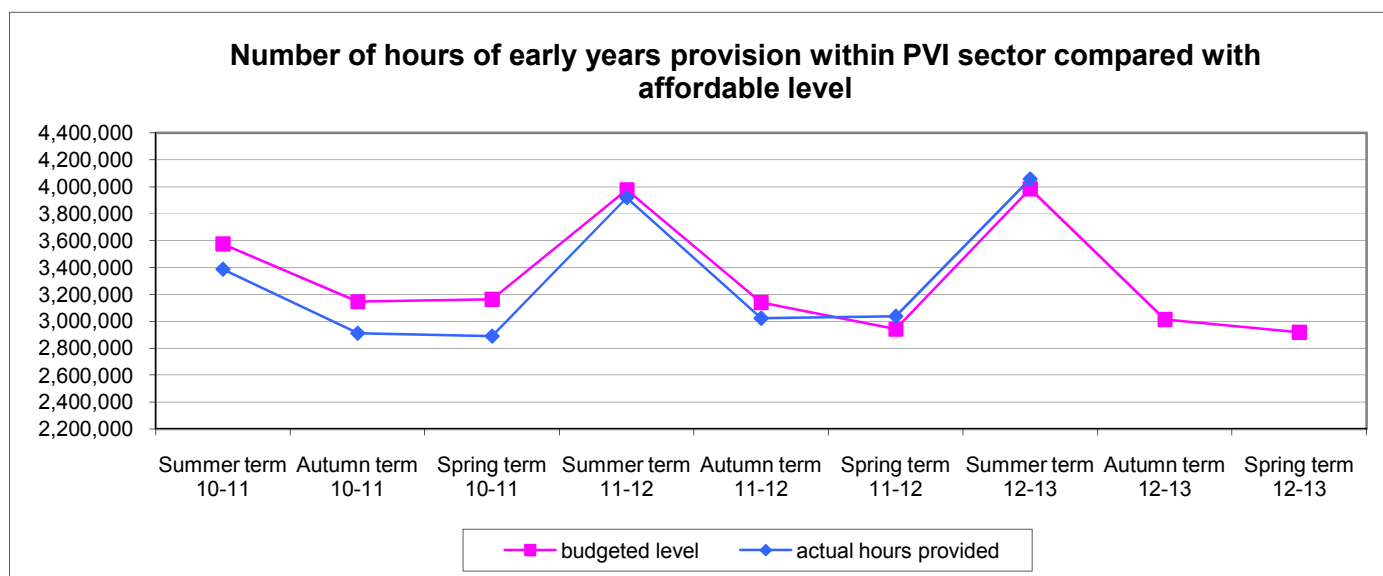


Comments:

- **SEN HTST** – Although the number of children travelling is higher than the budgeted level, there are a number of other factors which contribute to the overall cost of the provision of transport such as distance travelled and type of travel. As the numbers requiring transport for the 2012-13 academic year are still to be confirmed, no variance is being declared on this budget at this stage.
- **Mainstream HTST** - The number of children receiving transport is lower than the budgeted level but as the numbers requiring transport for the 2012-13 academic year are still to be confirmed, no variance is being declared at this stage.

2.3 Number of hours of early years provision provided to 3 & 4 year olds within the Private, Voluntary & Independent Sector compared with the affordable level:

	2010-11		2011-12		2012-13	
	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided	Budgeted number of hours	Actual hours provided
Summer term	3,572,444	3,385,199	3,976,344	3,917,710	3,982,605	4,056,425
Autumn term	3,147,387	2,910,935	3,138,583	3,022,381	3,012,602	
Spring term	3,161,965	2,890,423	2,943,439	3,037,408	2,917,560	
	9,881,796	9,186,557	10,058,366	9,977,499	9,912,767	4,056,425



Comments:

- The budgeted number of hours per term is based on an assumed level of take-up and the assumed number of weeks the providers are open. The variation between the terms is due to two reasons: firstly, the movement of 4 year olds at the start of the Autumn term into reception year in mainstream schools; and secondly, the terms do not have the same number of weeks.
- The current activity suggests an overspend of £0.295m on this budget which has been mentioned in section 1.1.3.4 of this annex. As this budget is funded entirely from DSG, any surplus or deficit at the end of the year must be carried forward to the next financial year in accordance with the regulations and cannot be used to offset over or underspending elsewhere in the directorate budget, therefore this overspend will be transferred to the schools unallocated DSG reserve at year end.
- It should be noted that not all parents currently take up their full entitlement and this can change during the year.
- The figures for actual hours provided are constantly reviewed and updated, so will always be subject to change.

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY

CHILDREN'S SERVICES SUMMARY

JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered "technical adjustments" ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect the addition of £0.300m of roll forward from 2011-12 as approved by Cabinet on 9 July 2012, and a number of other technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Specialist Children's Services portfolio							
Strategic Management & Directorate Support Budgets	4,570	-320	4,250	-51	-25	-76	
<u>Children's Services:</u>							
- Education & Personal							
- Children's Centres	17,670	0	17,670	0	0	0	
- Early Years & Childcare	3,899	-107	3,792	0	0	0	
- Virtual School Kent	2,641	-704	1,937	-278	0	-278	Staffing vacancies
	24,210	-811	23,399	-278	0	-278	
- Social Services							
- Adoption	8,320	-49	8,271	280	0	280	SGO, Staffing, increase in placements
- Asylum Seekers	14,901	-14,621	280	0	0	0	
- Children's Support Services	2,480	-1,043	1,437	102	0	102	OOH team
- Fostering	34,320	-237	34,083	3,235	0	3,235	Increase in weeks/lower unit cost, related reward increase, enhanced payments, agency staff
- Leaving Care (formerly 16+)	5,127	0	5,127	-383	0	-383	Section 24 saving, Staffing pressure
- Legal Charges	6,315	0	6,315	285	0	285	Increased demand
- Preventative Children's Services	19,537	-4,329	15,208	-950	0	-950	reduction in S17 payments
- Residential Children's Services	13,750	-2,144	11,606	1,936	-52	1,884	increase in weeks, reduction in unit cost, high cost placements, staffing
- Safeguarding	4,635	-316	4,319	202		202	Staffing
	109,385	-22,739	86,646	4,707	-52	4,655	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
<u>Assessment Services</u>							
- Children's Social Care Staffing	39,172	-885	38,287	994	0	994	County Referral Unit, Staffing
Total SCS portfolio	177,337	-24,755	152,582	5,372	-77	5,295	
Assumed Management Action							
- SCS portfolio						0	
Forecast after Mgmt Action				5,372	-77	5,295	

1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Specialist Children's Services portfolio:

Specialist Children's Services is currently going through a restructure and cash limits will need to be realigned later in the year once the new structure is finalised and in place. This will impact on the variances reflected within this report against the individual budget lines of the SCS Portfolio, but not on the overall position for the portfolio.

1.1.3.1 Virtual School Kent: Gross -£278k

The forecast underspend of -£278k is due to staffing vacancies and will be resolved as part of the SCS restructure.

1.1.3.2 Adoption: Gross +£280k

The current forecast variance of +£280k includes an £79k gross pressure as a result of an increase in the cost of staffing in the Adoption team and a pressure of £89k for an increase in the cost of placements. In addition, there is a pressure of £112k relating to special guardianship orders (SGO), this is due to the need to secure a permanent placement for a child where adoption is not suitable or required.

1.1.3.3 Asylum Seekers

The current forecast for Asylum is a breakeven position. This forecast has been made following positive discussions with UKBA and other councils. We have assumed that we will be reimbursed fully for our costs and will endeavour to maintain our unit cost within the agreed levels. If we are unable to reclaim all costs this position will change. In 2011-12 UKBA changed their grant rules and will now only fund the costs of an individual for up to three months after ARE (All Rights of appeal Exhausted) process, if the LA carries out Human Rights assessments. KCC have now agreed to undertake these assessments and staff have been trained accordingly.

1.1.3.4 Children's Support Services: Gross +£102k

There is a projected pressure on staffing of £102k which is for the Out of Hours team.

1.1.3.5 Fostering: Gross +£3,235k

Non-Related Fostering (in-house) is forecasting a gross pressure of £871k, as a result of the forecast number of weeks of service being 464 higher than the affordable level of 54,872, this generates £176k of current pressure. Additionally the unit cost being £1.14 lower than previously estimated when setting the cash limit has reduced the pressure by -£63k. There are also provisions within this forecast of £186k for the potential implications of enhanced payments for carers of disabled children and £530k of costs which were originally included within the Section 17 budget, but have been re-classified as fostering costs (see section 1.1.3.8), and other small variances totalling +£42k.

Independent fostering is forecasting a gross pressure of £1,684k. Again this is as a result of an increase in weeks support, which is 2,410 higher than the affordable level of 6,152 and results in a pressure of £2,215k. However, the average weekly cost is £86.28 lower than budgeted, and this reduces the total pressure by -£531k.

An underspend of -£515k is forecast on Kinship Non LAC which is due to reduced demand. This reduction in spend has resulted in an increase in the SGO forecast of £112k (in section 1.1.3.2 above) and £374k on related foster payments (see below), and other small variances of -£29k

There is a forecast pressure on Related Foster payments of £811k, of which +£437k is due to new legislation that came into effect on the 1st April 2011 which requires Local Authorities to pay reward payments to related foster carers. Kent's policy was that related carers only receive the maintenance element, whereas non-related carers receive both a maintenance and a fee element. At the time of calculating pressures for the 2012-13 budget Kent felt that this legislation was ambiguous, and sought legal advice to clarify our position. We have since had confirmation that we must apply this. The remaining +£374k is due to an increase in demand resulting from the drive to move children from Kinship to Related foster payments (and SGO see 1.1.3.2).

The county fostering team is forecasting an over spend of £384k, this is due to increased agency costs and will be resolved as part of the SCS restructure

1.1.3.6 Leaving Care (formerly 16+): Gross -£383k

An underspend of -£484k is forecast on leaving care/Section 24. This is partly due to fewer than anticipated 16-18 year olds using this service as they are remaining in foster care, and also stricter controls around S24 payments.

A pressure of £101k is forecast against staffing.

1.1.3.7 Legal Charges: Gross +£285k

There is a pressure forecast on the legal budget of +£285k, of which +£156k is due to increased demand and +£129k is spend which has moved from the Section 17 budget (see section 1.1.3.8).

1.1.3.8 Preventative Children's Services: Gross -£950k

There is a forecast underspend of -£950k on the Section 17 (*Provision of services for children in need, their families and others*) budget. £530k of this is due to spend being re-classified as fostering costs and a further £129k has been re-classified as legal costs, both of which had previously been classified as Section 17. These costs are now included in sections 1.1.3.5 and 1.1.3.7 respectively. Please note that budgets will be realigned as part of the SCS restructure. A further underspend has been forecast of £291k due to management action and more detailed guidance being issued to district teams on when they can make Section 17 payments.

1.1.3.9 Residential Children's Services: +£1,884k (+£1,936k Gross, -£52k Income)

Of the pressure within residential services, £994k (+£932k Gross, +£62k Income) relates to non disabled Independent sector residential provision. The forecast number of weeks of service is 397 higher than the affordable level of 1,892, which generates £1,226k of current pressure. Additionally the unit cost being -£155.4 lower than previously estimated when setting the cash limit has reduced this pressure by -£294k. The income variance of +£62k is due to a small reduction in income for placements from health.

The budget for independent residential care for disabled children is showing a pressure of £489k (£499k Gross, -£10k Income). This is due to an increase in high cost placements of £425k, and a pressure of £74k due to a small increase in the number of placements. There is also a small income variance of -£10k.

KCC residential care for disabled children shows a forecast pressure of £324k on staffing, partly due to an increase in permanent relief workers due to an increase in respite care, this variance will be resolved as part of the SCS restructure.

There is a further forecast variance on Residential care for Non-LAC of £174k due to an increase in placements and an income variance of -£104k due to an increase in income resulting from the additional placements.

There is also a small pressure forecast on secure accommodation of +£7k

1.1.3.10 Safeguarding: Gross +£202k

The safeguarding service is projecting a pressure of £202k on staffing, this will be resolved as part of the SCS restructure.

1.1.3.11 Assessment Services – Children’s Social Care Staffing: Gross +£994k

There is currently a forecast pressure on this budget of £1,279k for the new county referral unit which has been set up in advance of the main restructure. There is also a forecast underspend of -£285k on staffing, which will be resolved as part of the SCS restructure.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
SCS	Fostering - Gross - Independent - forecast weeks higher than budgeted	+2,215	SCS	Fostering - Gross - Independent Fostering - forecast unit cost lower than budgeted	-531
SCS	Children's social care staffing - Gross - New County Referral Unit	+1,279	SCS	Preventative Children's Services - Gross - Costs re-classified as fostering	-530
SCS	Residential - Gross - Non Dis Independent Sector - forecast weeks higher than budgeted	+1,226	SCS	Leaving Care - Gross - decrease in demand as 16-18 yr olds remaining in foster care	-484
SCS	Fostering - Gross - Independent - fostering costs moved from S.17	+530	SCS	Fostering - Gross - Kinship Non LAC - move to related fostering	-374
SCS	Fostering - Gross - Related foster payments - increase in reward payments	+437	SCS	Residential - Gross - Non Dis Independent Sector - forecast unit cost lower than budgeted	-294
SCS	Residential - Gross - Dis Independent sector - Increase in high cost placements	+425	SCS	Preventative Children's Services - Gross - management action and more detailed guidance on Section 17 payments	-291
SCS	Fostering - Gross - County fostering team agency costs	+384	SCS	Children's social care staffing - Gross - staffing	-285
SCS	Fostering - Gross - Related foster payments - drive to move children from Kinship to Related fostering	+374	SCS	Virtual School Kent - Gross - Staffing	-278
SCS	Residential - Gross - KCC residential Dis - Staffing - permanent relief workers	+324	SCS	Preventative Children's Services - Gross - Costs re-classified as legal costs	-129
SCS	Safeguarding - Gross - Staffing	+202	SCS	Fostering - Gross - Kinship Non LAC - move to SGO	-112
SCS	Fostering - Gross - Non Related (in house) - enhanced payments for carers of disabled children	+186	SCS	Residential - Income -income for Non LAC placements	-104
SCS	Fostering - Gross - Non Related (in house) - forecast weeks higher than budgeted	+176			
SCS	Residential - Gross - Non LAC Placements	+174			
SCS	Legal Charges - Gross - increased demand	+156			
SCS	Legal Charges - Gross - costs moved from S.17	+129			
SCS	Adoption - Gross - Increase in Special Guardianship Orders	+112			
SCS	Children's Support Services - Gross - Staffing OOH Team	+102			
SCS	Leaving Care - Gross - staffing	+101			
		+8,532			-3,412

1.1.4 **Actions required to achieve this position:**

Although there has been a continued increase of looked after children between April and June, it is anticipated that a number of control measures and early intervention services which have been put in place should mean that costs overall will begin to reduce, as well as a new staffing structure. There is also evidence that the looked after children numbers of children in care have reduced in July, however it is too early to confirm whether this trend will continue.

1.1.5 **Implications for MTFP:**

The 2013-14 budget proposals that have gone out for consultation have significant savings targets associated with the Looked After Children Strategy and a fundamental transformation of procedures in Children's Services. Those targets assume that the 2012-13 budget for Specialist Children's Services does not overspend.

1.1.6 **Details of re-phasing of revenue projects:**

None

1.1.7 **Details of proposals for residual variance:**

Controls have been put in place which we believe will help to reduce some of this financial pressure during the year, these include:

- *Access to Resource Panels chaired by Assistant Directors, to ensure that there is consistent decision making with regard to new placements for children in care.*
- *Placement Panels to review the status and placement of current children in care.*
- *New guidance and expenditure limits applied to Section 17 expenditure and transport costs.*
- *New commissioning framework being drawn up to reduce the costs of Independent Fostering placements.*
- *Recruitment of more in-house foster carers and potential adopters.*
- *Better contract management.*
- *Improved joint working with Legal through a Service Level Agreement.*

Structural changes are being implemented which will ensure that there are smaller teams with better management oversight, and clearer delineated accountability for case work decisions. New Access to Resources Team is being established, which will help maximise commissioning potential, and ensure best value.

In addition to the above, new commissioning frameworks have been developed for Early Intervention Services and Disabled Children's Services which will enhance early intervention, and therefore reduce the need for ongoing higher costs.

1.2 **CAPITAL**

1.2.1. All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Specialist Childrens Services portfolio has an approved budget for 2012-15 of £0.744m (see table 1 below). The forecast outturn against this budget is £2.702m, giving a variance of £1.958m. After adjustments for funded variances and reductions in funding, the revised variance comes to £1.873m (see table 3).

1.2.3 Tables 1 to 3 summaries the portfolio's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m
Approved budget last reported to Cabinet	0.750
Approvals made since last reported to Cabinet	-0.006
Revised approved budget	0.744

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

Scheme	Portfolio	Amount £m	Reason
MASH		0.025	Additional funding agreed from Wooden Spoon
Total		0.025	

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	1.873
Funded variance (from table 2)	0.025
Variance to be funded from revenue	0.060
Rephasing (beyond 2012-15)	0.000
Total variance	1.958

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.8 Table 4 – Scheme Progress

Scheme Name	Total approved budget	Previous Years Spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast Spend	Later Years Forecast Spend	2012-15 Variance	Total Project Variance	Status
	£m	£m	£m	£m	£m	£m	£m	£m	
<u>Approval to Spend</u>									
Ashford, Thanet & Swale MASH	15.801	15.843	-0.042	0.000	1.856	0.000	1.898	1.898	Overspend
TSB2 Short Breaks Pathfinder Programme	0.532	0.117	0.415	0.000	0.415	0.000	0.000	0.000	
Early Years & Childrens Centres	41.955	41.901	0.054	0.000	0.054	0.000	0.000	0.000	
Self Funded Projects (Quarryfields)	0.264	0.198	0.066	0.000	0.126	0.000	0.060	0.060	
Service Redesign	0.251	0.000	0.251	0.000	0.251	0.000	0.000	0.000	
	58.803	58.059	0.744	0.000	2.702	0.000	1.958	1.958	

- 1.2.9 Status:
 Green – Projects on time and budget
 Amber – Projects either delayed or over budget
 Red – Projects both delayed and over budget

1.2.10 Assignment of Green/Amber/Red Status

1.2.11 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.

1.2.12 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.13 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why

1.2.14 MASH - Latest MASH estimates show a forecast variance of £1.898m in 2012-13. This reflects a continuing pressure. There is anticipated funding of £0.825m external funding - £0.800m of which is awaiting confirmation from the NHS. If this is forthcoming there remains an unfunded variance of £1.073m, the funding of which is yet to be resolved.

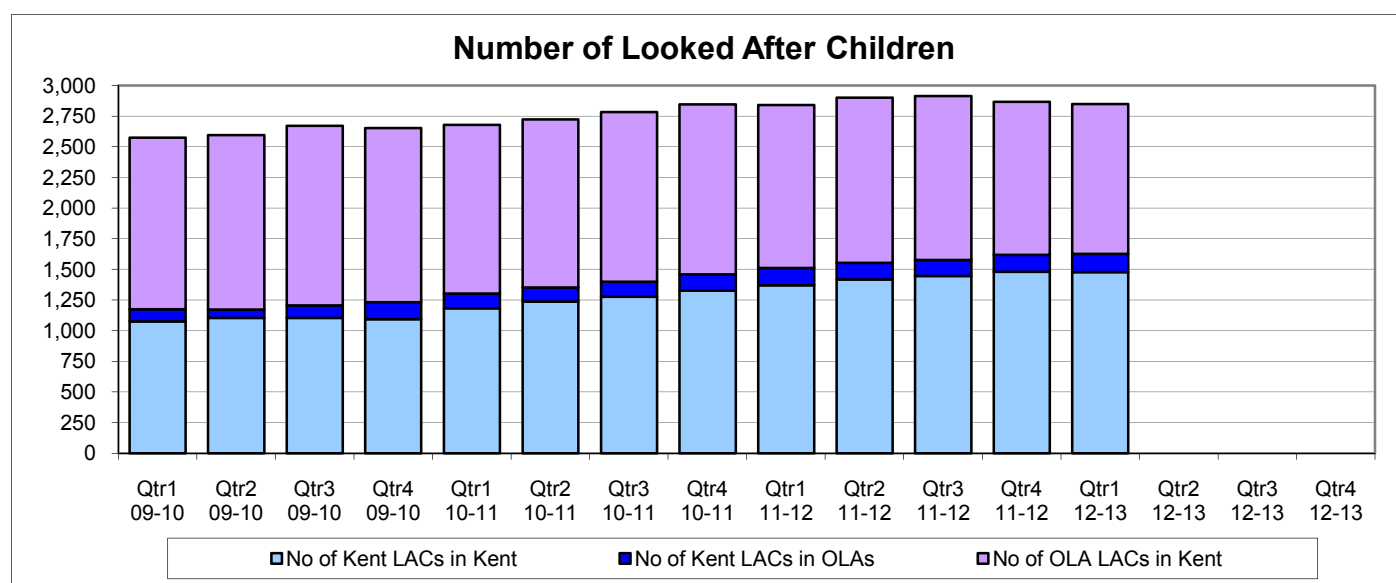
Key issues and Risks

1.2.15 MASH – until the funding of £0.800m is confirmed from the NHS there is a risk around this.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Numbers of Looked After Children (LAC) (Excluding Asylum Seekers):

	No of Kent LAC placed in Kent	No of Kent LAC placed in OLAs	TOTAL NO OF KENT LAC	No of OLA LAC placed in Kent	TOTAL No of LAC in Kent
2009-10					
Apr – Jun	1,076	100	1,176	1,399	2,575
Jul – Sep	1,104	70	1,174	1,423	2,597
Oct – Dec	1,104	102	1,206	1,465	2,671
Jan – Mar	1,094	139	1,233	1,421	2,654
2010-11					
Apr – Jun	1,184	119	1,303	1,377	2,680
Jul – Sep	1,237	116	1,353	1,372	2,725
Oct – Dec	1,277	123	1,400	1,383	2,783
Jan – Mar	1,326	135	1,461	1,385	2,846
2011-12					
Apr – Jun	1,371	141	1,512	1,330	2,842
Jul – Sep	1,419	135	1,554	1,347	2,901
Oct – Dec	1,446	131	1,577	1,337	2,914
Jan – Mar	1,480	138	1,618	1,248	2,866
2012-13					
Apr – Jun	1,478	149	1,627	1,221	2,848
Jul – Sep					
Oct – Dec					
Jan – Mar					



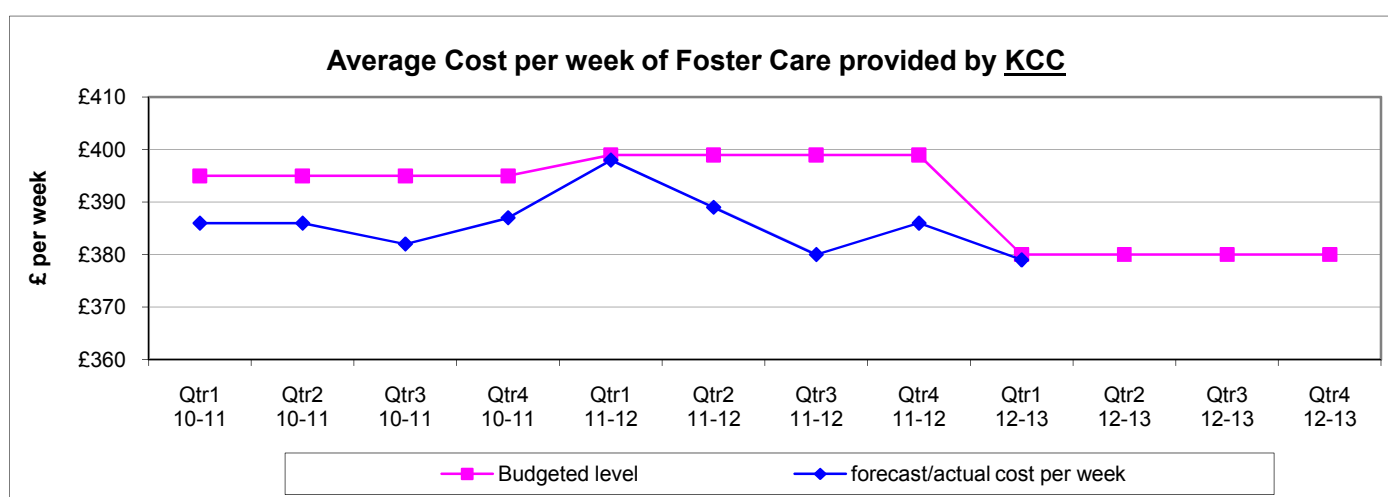
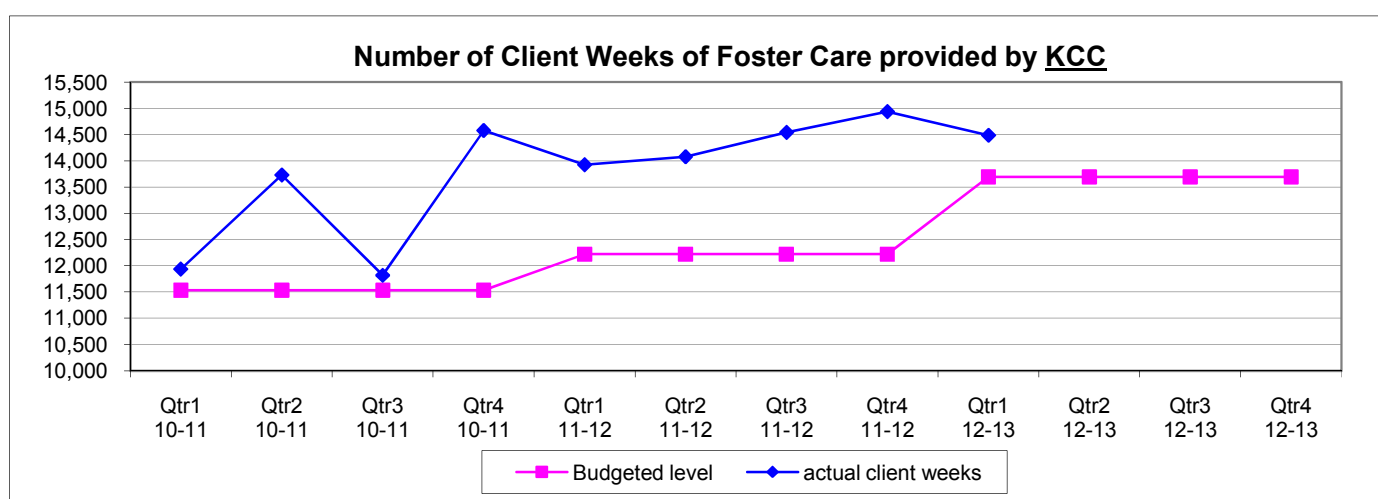
Comments:

- Children Looked After by KCC may on occasion be placed out of the County, which is undertaken using practice protocols that ensure that all long-distance placements are justified and in the interests of the child. All Looked After Children are subject to regular statutory reviews (at least twice a year), which ensures that a regular review of the child's care plan is undertaken.
- The number of looked after children for each quarter represents a snapshot of the number of children designated as looked after at the end of each quarter, it is not the total number of looked after children during the period. Therefore although the number of Kent looked after children has increased by 9 this quarter, there could have been more during the period.
- The increase in the number of looked after children since the 12-13 budget was set has placed additional pressure on the services for looked after children, including fostering and residential care.

- The OLA LAC information has a confidence rating of 50% and is completely reliant on Other Local Authorities keeping KCC informed of which children are placed within Kent. The Management Information Unit (MIU) regularly contact these OLAs for up to date information, but replies are not always forthcoming. This confidence rating is based upon the percentage of children in this current cohort where the OLA has satisfactorily responded to recent MIU requests.

2.2.1 Number of Client Weeks & Average Cost per Client Week of Foster Care provided by KCC:

	2010-11				2011-12				2012-13			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	11,532	11,937	£395	£386	12,219	13,926	£399	£398	13,718	14,487	£380	£379
July - Sep	11,532	13,732	£395	£386	12,219	14,078	£399	£389	13,718		£380	
Oct - Dec	11,532	11,818	£395	£382	12,219	14,542	£399	£380	13,718		£380	
Jan - Mar	11,532	14,580	£395	£387	12,219	14,938	£399	£386	13,718		£380	
	46,128	52,067	£395	£387	48,876	57,484	£399	£386	54,872	14,487	£380	£379



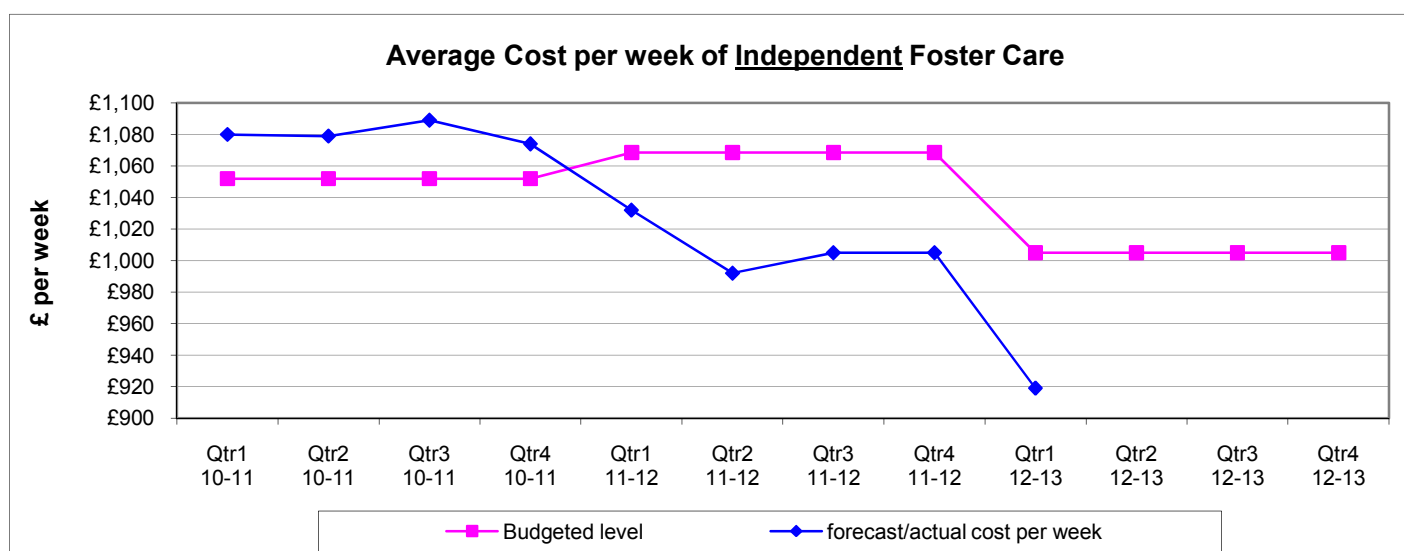
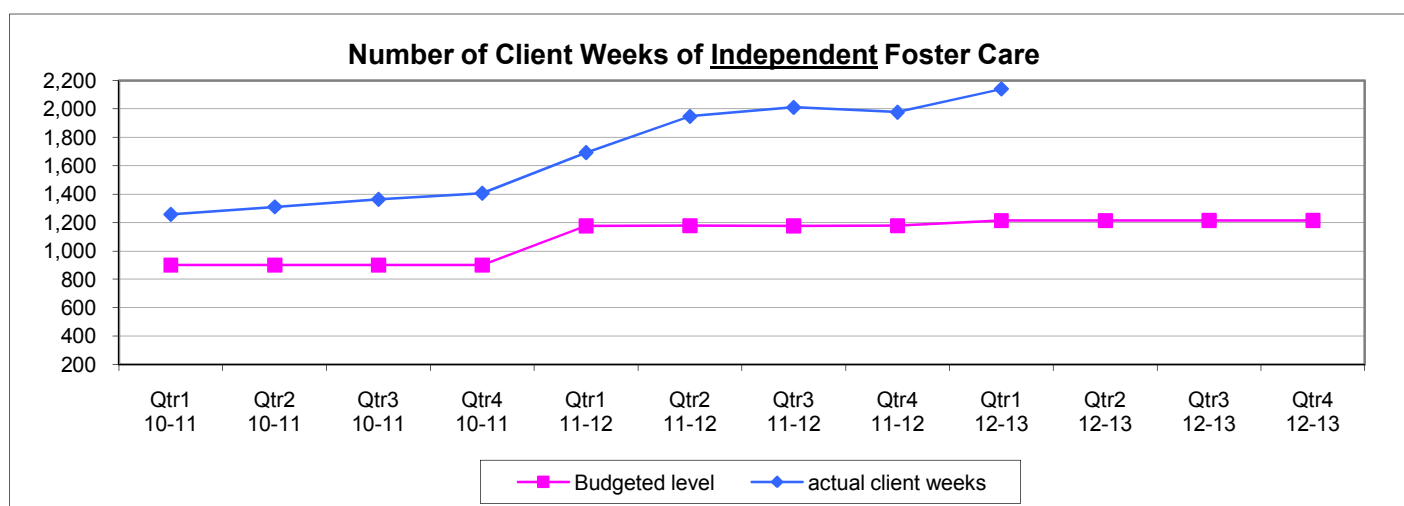
Comments:

- The actual number of client weeks is based on the numbers of known children at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.

- In addition, the 2012-13 budgeted level represents the level of demand as at the 3rd quarter's full monitoring report, which is the time at which the 2012-13 budget was set and approved. However, since that time, the service has experienced continued demand on this service.
- The forecast number of weeks is 55,336 (excluding asylum), which is 464 weeks above the affordable level. This forecast number of weeks is lower than the YTD activity would suggest due to a reduction in the number of children in in-house fostering from July onwards. At the forecast unit cost of £378.86 per week, this increase in activity gives a pressure of £176k.
- The forecast unit cost of £378.86 is £1.14 below the budgeted level and when multiplied by the budgeted number of weeks, gives a saving of -£63k.
- Overall therefore, the combined gross pressure on this service for both under and over 16's (and those with a disability) was +£113k (£176k - £63k), as reported in sections 1.1.3.5.

2.2.2 Number of Client Weeks & Average Cost per Client Week of Independent Foster Care:

	2010-11				2011-12				2012-13			
	No of weeks		Average cost per client week		No of weeks		Average cost per client week		No of weeks		Average cost per client week	
	Budget Level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	forecast
Apr - June	900	1,257	£1,052	£1,080	1,177	1,693	£1,068.60	£1,032	1,538	2,141	£1,005	£919
July - Sep	900	1,310	£1,052	£1,079	1,178	1,948	£1,068.60	£992	1,538		£1,005	
Oct - Dec	900	1,363	£1,052	£1,089	1,177	2,011	£1,068.60	£1,005	1,538		£1,005	
Jan - Mar	900	1,406	£1,052	£1,074	1,178	1,977	£1,068.60	£1,005	1,538		£1,005	
	3,600	5,336	£1,052	£1,074	4,710	7,629	£1,068.60	£1,005	6,152	2,141	£1,005	£919

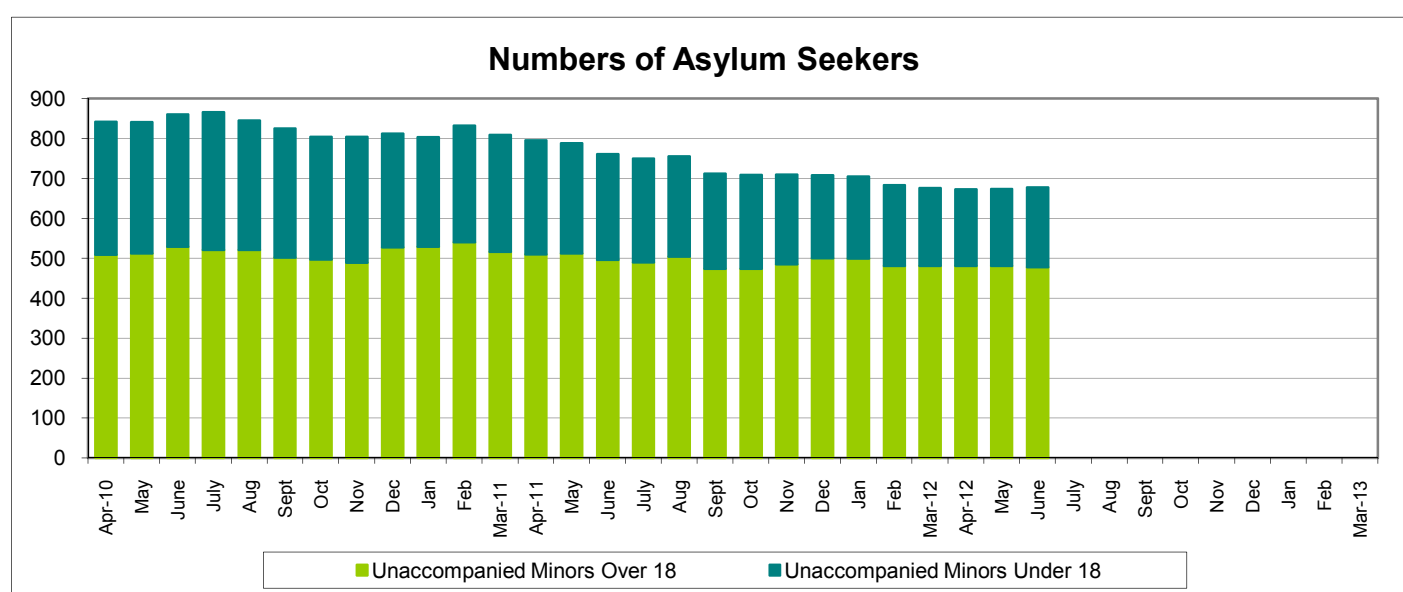


Comments:

- The actual number of client weeks is based on the numbers of known children at a particular point in time. This may be subject to change due to the late receipt of paperwork.
- The budgeted level has been calculated by dividing the budget by the average weekly cost. The average weekly cost is also an estimate based on financial information and estimates of the number of client weeks and may be subject to change.
- For the 2012-13 budget further significant funding has been made available based on the actual level of demand at the 3rd quarter's monitoring position for 2011-12, the time at which the 2012-13 budget was set and approved. However, since that date the service has experienced continued demand on this service.
- The forecast number of weeks is 8,562 (excluding asylum), which is 2,410 weeks above the affordable level. At the forecast unit cost of £918.72, this increase in activity give a pressure of £2,215k
- The forecast unit cost of £918.72 is an average and is £86.28 below the budgeted level and when multiplied by the budgeted number of weeks gives a saving of -£531k
- Overall therefore, the combined forecast gross pressure on this service and is +£1,684k (+£2,215k increased demand and -£531k lower unit cost), as reported in sections 1.1.3.5.

2.3 Numbers of Unaccompanied Asylum Seeking Children (UASC):

	2010-11			2011-12			2012-13		
	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients	Under 18	Over 18	Total Clients
April	333	509	842	285	510	795	192	481	673
May	329	512	841	276	512	788	193	481	674
June	331	529	860	265	496	761	200	478	678
July	345	521	866	260	490	750			
August	324	521	845	251	504	755			
September	323	502	825	238	474	712			
October	307	497	804	235	474	709			
November	315	489	804	225	485	710			
December	285	527	812	208	500	708			
January	274	529	803	206	499	705			
February	292	540	932	202	481	683			
March	293	516	809	195	481	676			

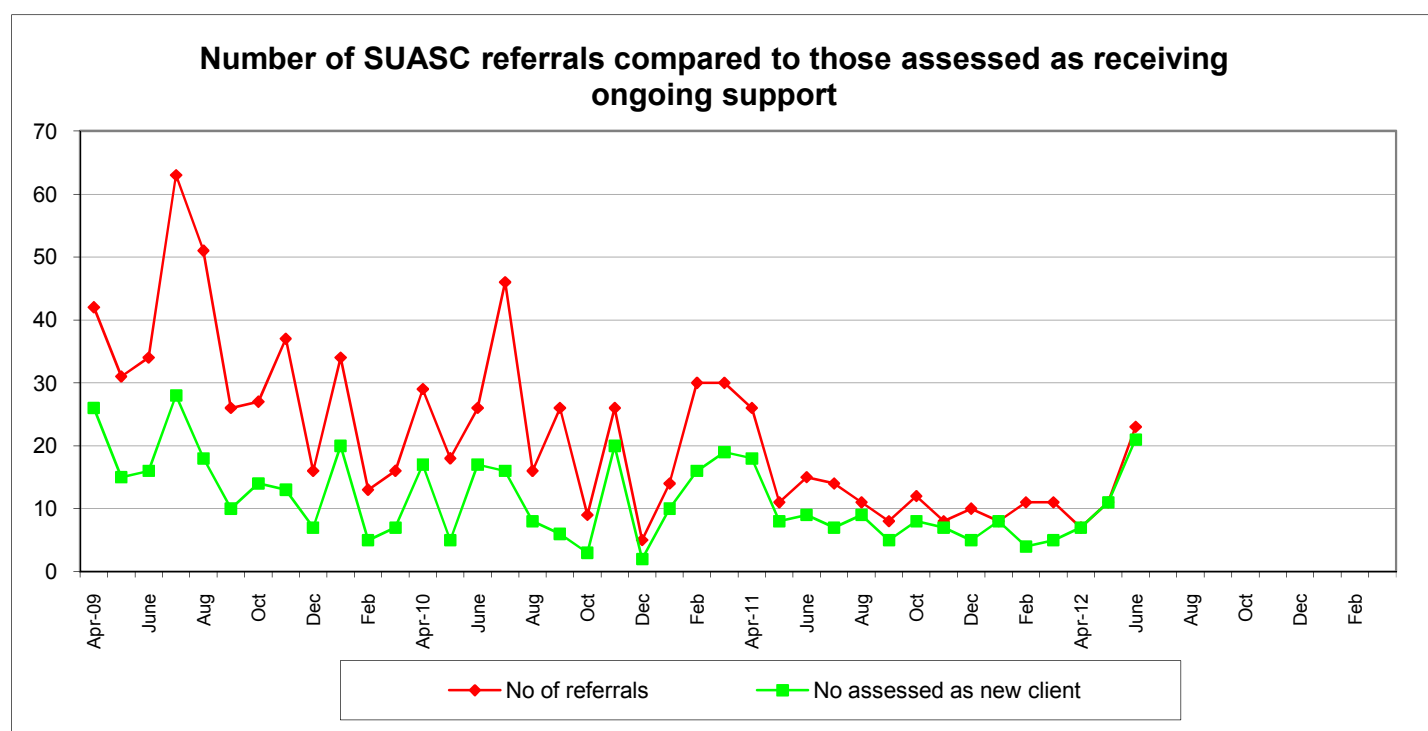


Comment:

- The overall number of children has remained fairly static so far this year. The current number of clients supported is below the budgeted level of 690.
- The budgeted number of referrals for 2012-13 is 15 per month, with 9 (60%) being assessed as under 18.
- Despite improved partnership working with the UKBA, the numbers of over 18's who are All Rights of appeal Exhausted (ARE) have not been removed as quickly as originally planned.
- In general, the age profile suggests the proportion of over 18s is decreasing slightly and, in addition the age profile of the under 18 children has increased
- The data recorded above will include some referrals for which the assessments are not yet complete or are being challenged. These clients are initially recorded as having the Date of Birth that they claim but once their assessment has been completed, or when successfully appealed, their category may change.

2.4 Numbers of Asylum Seeker referrals compared with the number assessed as qualifying for on-going support from Service for Unaccompanied Asylum Seeking Children (SUASC) ie new clients:

	2009-10			2010-11			2011-12			2012-13		
	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%	No. of referrals	No. assessed as new client	%
April	42	26	62%	29	17	59%	26	18	69%	7	7	100%
May	31	15	48%	18	5	28%	11	8	73%	11	11	100%
Jun	34	16	47%	26	17	65%	15	9	60%	23	21	91%
July	63	28	44%	46	16	35%	14	7	50%			
Aug	51	18	35%	16	8	50%	11	9	82%			
Sept	26	10	38%	26	6	23%	8	5	62%			
Oct	27	14	52%	9	3	33%	12	8	67%			
Nov	37	13	35%	26	20	77%	8	7	88%			
Dec	16	7	44%	5	2	40%	10	5	50%			
Jan	34	20	59%	14	10	71%	8	8	100%			
Feb	13	5	38%	30	16	53%	11	4	36%			
Mar	16	7	44%	30	19	63%	11	5	45%			
	390	179	46%	275	139	51%	145	93	64%	41	39	95%

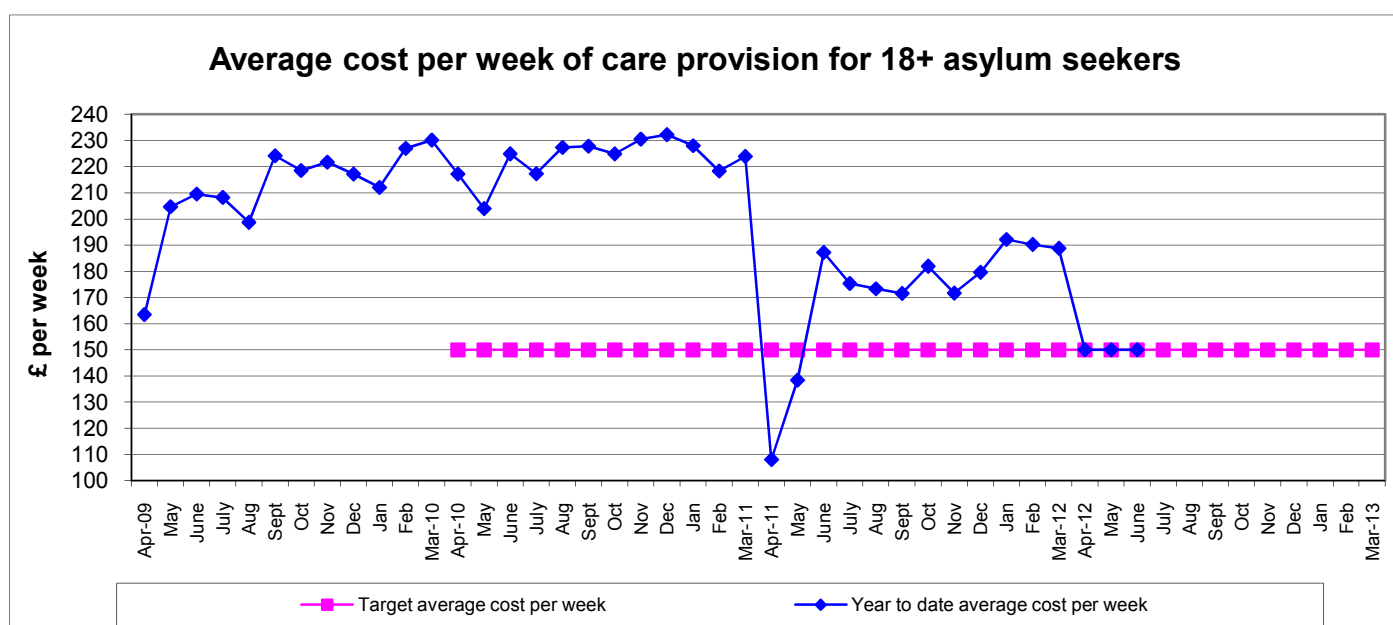


Comments:

- In general, referral rates have been lower since September 2009 which coincides with the French Government's action to clear asylum seeker camps around Calais. The average number of referrals per month is now 13.7, which is below the budgeted number of 15 referrals per month.
- The number of referrals has a knock on effect on the number assessed as new clients. The budgeted level is based on the assumption 60% of the referrals will be assessed as a new client. The average number assessed as new clients is now 95%.
- The budget assumed 9 new clients per month (60% of 15 referrals) but the average number of new clients per month is currently 13 i.e a 44% increase.

2.5 Average monthly cost of Asylum Seekers Care Provision for 18+ Care Leavers:

	2009-10		2010-11		2011-12		2012-13	
	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Year to date average weekly cost £p	Target average weekly cost £p	Forecast average weekly cost £p
April		163.50	150.00	217.14	150.00	108.10	150.00	150.00
May		204.63	150.00	203.90	150.00	138.42	150.00	150.00
June		209.50	150.00	224.86	150.00	187.17	150.00	150.00
July		208.17	150.00	217.22	150.00	175.33	150.00	
August		198.69	150.00	227.24	150.00	173.32	150.00	
September		224.06	150.00	227.79	150.00	171.58	150.00	
October		218.53	150.00	224.83	150.00	181.94	150.00	
November		221.64	150.00	230.47	150.00	171.64	150.00	
December		217.10	150.00	232.17	150.00	179.58	150.00	
January		211.99	150.00	227.96	150.00	192.14	150.00	
February		226.96	150.00	218.30	150.00	190.25	150.00	
March		230.11	150.00	223.87	150.00	188.78	150.00	



Comments:

- The local authority has agreed that the funding levels for the unaccompanied Asylum Seeking childrens Service 18+ grant Asylum Service agreed with the Government rely on us achieving an average cost per week of £150, in order for the service to be fully funded, which is also reliant on the UKBA accelerating the removal process. In 2011-12 UKBA changed their grant rules and now only fund the costs of an individual for up to three months after the All Rights of appeal Exhausted (ARE) process if the LA carries out a Human Rights Assessment before continuing support. The LA has continued to meet the cost of the care leavers in order that it can meet its statutory obligations to those young people under the Leaving Care Act until the point of removal.
- As part of our partnership working with UKBA, most UASC in Kent are now required to report to UKBA offices on a regular basis, in most cases weekly. The aim is to ensure that UKBA have regular contact and can work with the young people to encourage them to make use of the voluntary methods of return rather than forced removal or deportation. As part of this arrangement any young person who does not report as required may have their Essential living allowance discontinued. As yet this has not resulted in an increase in the number of AREs being removed. The number of AREs supported has continued to remain steady, but high. Moving clients on to the pilot housing scheme was slower than originally anticipated, however all our young people, who it was appropriate to move to lower cost accommodation, were moved by the end of 2010-11. However there remain a number of issues:

- For various reasons, some young people have not yet moved to lower cost properties, mainly those placed out of county. These placements are largely due to either medical/mental health needs or educational needs. Many of these placements, particularly those linked to education, will end in the 2nd quarter.
 - We are currently experiencing higher than anticipated level of voids, properties not being fully occupied. Following the incident in Folkestone in January 2011, teams are exercising a greater caution when making new placements into existing properties. This is currently being addressed by the Accommodation Team.
 - We are still receiving damages claims relating to closed properties.
- In order to reduce our net unit cost to below £150, we will be insisting on take-up of state benefits for those entitled.

FAMILIES & SOCIAL CARE DIRECTORATE SUMMARY

ADULTS SERVICES SUMMARY

JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes:

- The allocation of NHS Support for Social Care Grant where further information regarding allocations and spending plans has become available since the budget setting process. This includes the alignment of grant income to the contributions to voluntary organisations budget line to match the current gross budget supported from the grant (previously the grant income was held within the Other Adult Services budget). This has no impact on the overall gross and income budgets but involves an adjustment between A-Z budget lines.
- The realignment of all Mental Health budgets based on the new agreement between KCC and Kent and Medway NHS and Social Care Partnership Trust, and adjusted in light of the 2011-12 outturn expenditure and activity, whereas the budget was set based on forecasts from several months earlier (-£605k Gross and £605k Income).

These changes are expected to continue, but since the full extent is currently unknown, further variances will be reported in future cabinet reports.

Cash limits have also been adjusted to reflect a number of technical adjustments to budget, including realignment of gross and income to more accurately reflect current levels of services and income to be received, totalling -£946k gross and +£1,025k income. Significant changes included within this are:

- a gross and income uplift of £1,045k, in relation to PCT Reablement funding;
- a gross uplift of £79k for an overall increase in Learning Disability and Health Reform Grant (the income uplift is held within the unringfenced government grant budget line within the F&BS portfolio, within annex 7).
- Realignment of older people meals service gross and income budgets, (a reduction of £602k)
- The realignment of in-house income targets following the closure of in-house units and the placing of more respite clients and fewer permanent clients in the remaining in-house units, who contribute less income (gross -£1,189k, income £1,189k)
- the transfer of day care client contribution budgets to domiciliary income budgets to more accurately reflect the contribution by clients to their overall care package rather than towards specific individual community services; this does not impact either the gross and income budgets but does involve an adjustment between day care and domiciliary A-Z lines. This is in preparation for a new A-Z budget line called "Non-Residential Income" from 2013-14.
- The transfer of expenditure between A-Z lines to more accurately reflect the nature of spend being incurred. This does not have an impact on the level of either the gross or income budgets involved.
- The balance of -£279k gross and +£279k income largely relates to the removal of gross and income budgets relating to one-off monies in 2011-12 and the removal of one-off historic income targets which were not removed in the budget build.

In addition to this is the roll forward of underspend from 2011-12 as approved at 9 July 2012 Cabinet which total £453k gross and £250k income. There are also a number of other corporate adjustments which total £997k gross and -£60k income (+£937k net), which is predominantly related to the restructure of KCC, where responsibilities between the directorates are still being refined.

The overall movements are therefore a reduction in gross of -£101k (-605-946+453+997) and income of +£1,820k (+605+1,025+250-60). This is detailed in table 1a.

Some of the adjustments have impacted upon affordable levels of activity reported in section 2 of this annex, which have been amended from the levels reported to Cabinet on 9 July within the outturn report.

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in July and the inclusion of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits.

Table 1b shows the latest monitoring position against these revised cash limits.

1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Adult Social Care & Public Health portfolio									
Strategic Management & Directorate Support Budgets	8,688	-485	8,203	9,830	-955	8,875	1,142	-470	672
Adults & Older People:									
- Direct Payments									
- Learning Disability	11,573	-547	11,026	11,573	-547	11,026	0	0	0
- Mental Health	995		995	710	0	710	-285	0	-285
- Older People	7,008	-787	6,221	6,924	-787	6,137	-84	0	-84
- Physical Disability	9,561	-374	9,187	9,580	-374	9,206	19	0	19
Total Direct Payments	29,137	-1,708	27,429	28,787	-1,708	27,079	-350	0	-350
- Domiciliary Care									
- Learning Disability	6,269	-1,187	5,082	6,269	-1,532	4,737	0	-345	-345
- Mental Health	532	-80	452	532	-114	418	0	-34	-34
- Older People	43,836	-12,033	31,803	44,360	-12,255	32,105	524	-222	302
- Physical Disability	7,560	-576	6,984	7,586	-595	6,991	26	-19	7
Total Domiciliary Care	58,197	-13,876	44,321	58,747	-14,496	44,251	550	-620	-70
- Nursing & Residential Care									
- Learning Disability	76,164	-6,459	69,705	76,184	-6,456	69,728	20	3	23
- Mental Health	6,929	-875	6,054	7,243	-692	6,551	314	183	497
- Older People - Nursing	44,812	-22,674	22,138	46,473	-24,335	22,138	1,661	-1,661	0
- Older People - Residential	85,349	-36,494	48,855	84,604	-35,644	48,960	-745	850	105
- Physical Disability	13,813	-1,969	11,844	13,813	-1,969	11,844	0	0	0
Total Nursing & Residential Care	227,067	-68,471	158,596	228,317	-69,096	159,221	1,250	-625	625
- Supported Accommodation									
- Learning Disability	33,098	-3,694	29,404	33,049	-3,645	29,404	-49	49	0
- Physical Disability/Mental Health	2,552	-274	2,278	2,619	-279	2,340	67	-5	62
Total Supported Accommodation	35,650	-3,968	31,682	35,668	-3,924	31,744	18	44	62
- Other Services for Adults & Older People									
- Contributions to Vol Orgs	16,044	-902	15,142	16,217	-2,302	13,915	173	-1,400	-1,227
- Day Care									
- Learning Disability	13,111	-503	12,608	13,187	-237	12,950	76	266	342
- Older People	3,453	-195	3,258	3,453	-111	3,342	0	84	84
- Physical Disability/Mental Health	1,565	-38	1,527	1,320	-5	1,315	-245	33	-212
Total Day Care	18,129	-736	17,393	17,960	-353	17,607	-169	383	214
- Other Adult Services	17,935	-23,780	-5,845	13,145	-17,519	-4,374	-4,790	6,261	1,471
- Safeguarding	809	-236	573	1,076	-236	840	267	0	267
Total Other Services for A&OP	52,917	-25,654	27,263	48,398	-20,410	27,988	-4,519	5,244	725

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
- Assessment Services									
- Adult's Social Care Staffing	40,088	-1,981	38,107	41,116	-3,674	37,442	1,028	-1,693	-665
<u>Community Services:</u>									
- Public Health Management & Support	376		376	376	0	376	0	0	0
- Public Health	84	-57	27	106	-57	49	22	0	22
Total ASC&PH portfolio	452,204	-116,200	336,004	451,345	-114,320	337,025	-859	1,880	1,021
Business Strategy, Performance & Health Reform portfolio									
- Public Health (LINK, Local Healthwatch & Health Reform)			0	758	-60	698	758	-60	698
Total FSC ADULTS controllable	452,204	-116,200	336,004	452,103	-114,380	337,723	-101	1,820	1,719

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Adult Social Care & Public Health portfolio							
Strategic Management & Directorate Support Budgets	9,830	-955	8,875	-50	6	-44	
<u>Adults & Older People:</u>							
- Direct Payments							
- Learning Disability	11,573	-547	11,026	-1,655	282	-1,373	Activity below budget level; income unit charge lower than budget
- Mental Health	710	0	710	-25	0	-25	
- Older People	6,924	-787	6,137	-947	-67	-1,014	Activity below budget level; income unit charge higher than budget
- Physical Disability	9,580	-374	9,206	-920	-90	-1,010	Activity & unit cost below budget level
Total Direct Payments	28,787	-1,708	27,079	-3,547	125	-3,422	
- Domiciliary Care							
- Learning Disability	6,269	-1,532	4,737	431	-68	363	Unit cost above budget level & additional pressure on extra care housing clients; activity below budget level
- Mental Health	532	-114	418	66	-13	53	
- Older People	44,360	-12,255	32,105	-2,438	1,551	-887	Activity for P&V & in-house below budget level; saving on block contracts; income charge lower than budget level
- Physical Disability	7,586	-595	6,991	-66	-35	-101	
Total Domiciliary Care	58,747	-14,496	44,251	-2,007	1,435	-572	

Annex 3

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Nursing & Residential Care							
- Learning Disability	76,184	-6,456	69,728	-1,388	460	-928	Activity above affordable level & Unit cost below budget level for IS; activity below budget level for preserved rights. Income charge lower than budget level for preserved rights
- Mental Health	7,243	-692	6,551	54	19	73	
- Older People - Nursing	46,473	-24,335	22,138	262	-745	-483	Unit cost above budget level; income charge higher than budget level
- Older People - Residential	84,604	-35,644	48,960	-1,690	2,515	825	Activity lower than budget level; higher unit cost; in-house savings from modernisation strategy & reduction in income due to lower activity & unit charge
- Physical Disability	13,813	-1,969	11,844	-483	197	-286	Activity lower than budget level; higher unit cost; Income charge lower than budget level
Total Nursing & Residential Care	228,317	-69,096	159,221	-3,245	2,446	-799	
- Supported Accommodation							
- Learning Disability	33,049	-3,645	29,404	1,524	765	2,289	Activity higher than budget level; lower unit cost. Income charge lower than budget level.
- Physical Disability/Mental Health	2,619	-279	2,340	-67	-112	-179	Income charge higher than budget level
Total Supported Accommodation	35,668	-3,924	31,744	1,457	653	2,110	
- Other Services for Adults & Older People							
- Contributions to Vol Orgs	16,217	-2,302	13,915	157	71	228	Investment in new services
- Day Care							
- Learning Disability	13,187	-237	12,950	-388	46	-342	Staffing savings due to In-house modernisation strategy & reduction in activity; Independent sector saving
- Older People	3,453	-111	3,342	-436	-1	-437	re-commissioning strategies
- Physical Disability/Mental Health	1,320	-5	1,315	-83	-3	-86	
Total Day Care	17,960	-353	17,607	-907	42	-865	
- Other Adult Services	13,145	-17,520	-4,375	-76	-5	-81	
- Safeguarding	1,076	-236	840	0	0	0	
Total Other Services for A&OP	48,398	-20,411	27,987	-826	108	-718	
- Assessment Services							
- Adult's Social Care Staffing	41,116	-3,673	37,443	-137	108	-29	vacancies: minor income savings

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Community Services:							
- Public Health Management & Support	376	0	376	0	0	0	
- Public Health	106	-57	49	0	0	0	
Total ASC&PH portfolio	451,345	-114,320	337,025	-8,355	4,881	-3,474	
Business Strategy, Performance & Health Reform portfolio							
- Public Health (LINK, Local Healthwatch & Health Reform)	758	-60	698	0	0	0	
Total FSC ADULTS controllable	452,103	-114,380	337,723	-8,355	4,881	-3,474	
Assumed Management Action							
- ASC&PH portfolio						0	
- BSP&HR portfolio						0	
Forecast after Mgmt Action						-3,474	

1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Adult Social Care & Public Health portfolio:

Overall there is a forecast net underspend of £3.474m. This financial forecast is based on June's known client profile and does not take into account any future growth or decline in particular services, other than what is known in regards to existing clients. This is except Learning Disability services where the forecast includes known children or adults who are likely to be transferring to Adult services. Work is underway to analyse the client trend for individual services that will be used to inform the financial forecasts in future monitoring returns. The position by A-Z budget is shown below:

1.1.3.1 **Direct Payments -£3,422k (-£3,547k Gross, +£125k Income):**

The significant under spend on this service primarily relates to a slower than budgeted increase in activity funded through the 2012-15 MTP. As can be seen from the activity in section 2.1 the number of clients continues to grow at a lower rate than had been budgeted.

a. Learning Disability -£1,373k (-£1,655k Gross, +£282k Income)

The forecast under spend against the gross service line of £1,655k is generated as a result of the forecast activity weeks being 6,338 (-£1,444k) lower than the affordable level, coupled with the forecast unit cost being lower than the affordable by £3.01 (-£150k). The remaining variance of -£61k relates primarily to underspending on payments to carers

This service is forecasting an under recovery of income of £282k, as the actual average unit income being charged is £4.87 lower than the budgeted level resulting in a shortfall of £244k, plus a minor variance due to the reduced level of activity.

b. Older People -£1,014k (-£947k Gross, -£67k Income)

This budget is forecast to under spend by £947k on gross expenditure. The number of weeks is forecast to be 8,659 fewer than budgeted, generating a saving of -£1,163k, which is partially offset by the unit cost being higher than budgeted by £2.45 and therefore generating a pressure of +£129k. The balance of the variance relates to minor pressures on one-off payments and payments to carers.

The lower than budgeted number of weeks leads to a shortfall in income of +£169k, however this is more than offset by unit income being £4.49 higher than budgeted resulting in a saving of -£236k.

c. Physical Disability -£1,010k (-£920k Gross, -£90k Income)

The forecast number of weeks of care provided is 4,729 lower than anticipated generating a forecast under spend of -£827k, along with additional savings achieved through a lower than budgeted unit cost (-£310k). These savings are partially offset, predominately by the number of one-off payments being in excess of the budgeted level (+£216k) along with a minor pressure on payments to carers (+£1k).

The lower than budgeted number of weeks leads to a shortfall in income of +£46k however this is more than offset by a £2.56 higher than budgeted unit income resulting in a saving of -£136k.

1.1.3.2 **Domiciliary Care -£572k (-£2,007k Gross, +£1,435k Income):**

a. Learning Disability +£363k (+£431k Gross, -£68k Income)

The overall forecast is a pressure against the gross of £431k, coupled with an over recovery of income of £68k. The number of hours is forecast to be 62,488 lower than the affordable level, generating a -£789k forecast under spend. The actual unit cost is £3.12 higher than the affordable level, increasing the forecast by +£1,010k. The remaining variance of +£210k against gross, is comprised of a pressure on Extra Care Sheltered Housing of +£115k and other minor variance less than £100k each.

The income variance of -£68k reflects a +£139k under recovery of client income where hours are forecast to be lower than the affordable level, offset by -£469k over recovery of income from the actual unit income being £1.45 higher than the affordable level. In addition, the Independent Living Service is expecting to reduce the number of support hours for those clients where income is received from the supporting people service and Health, resulting in an under-recovery of income of +£306k. The balance of -£44k relates to other minor under spends.

b. Older People -£887k (-£2,438k Gross, +£1,551k Income)

The overall forecast is an under spend against gross of £2,438k, coupled with an under recovery of income of £1,551k. The number of hours is forecast to be 80,014 lower than the affordable hours generating a -£1,175k forecast under spend. The actual unit cost is £0.07 lower than the affordable level, increasing that initial underspend forecast by -£166k. This forecast assumes that £1,322k of savings will be delivered through the reduction in hours provided.

The Kent Enablement at Home (KEaH) in house service is forecasting a gross under spend of -£552k, which is the cumulative effect of less hours of service than budgeted being forecast, and resultant savings in staffing costs. A saving of -£318k is also forecast against block domiciliary contracts, as a result of savings on non-care related costs, and where negotiations to have an element of unused hours refunded have been successful.

The remaining gross variance of -£227k relates predominately to a forecast under spend of -£327k for those clients in Sheltered Accommodation offset by other minor variances, each below £100k.

The reduction in activity is forecast to yield an under recovery of income of +£355k, coupled with a reduction in the average unit charge of £0.53 compared to the affordable level, which generates a +£1,255k income pressure. The balance of the income variance of -£59k relates to other minor variances each below £100k.

c. Physical Disability -£101k (-£66k Gross, -£35k Income)

The gross variance is caused by a forecast of 34,235 hours below the affordable level, creating a -£610k saving, which is offset by a unit cost variance of £0.95 greater than the affordable level, causing a pressure of +£507k. This forecast is based on current client activity and an assumed reduction of approximately 23,500 hours to deliver MTP savings of £306k. The remaining gross pressure, and income variance is due to variances on a number of other budgets within this heading, all below £100k.

1.1.3.3 **Nursing & Residential Care -£799k (-£3,245k Gross, +£2,446k Income):**

a. **Learning Disability -£928k (-£1,388k Gross, +£460k Income)**

A gross under spend of £1,388k, coupled with an under recovery of income of £460k generates the above net forecast variance. The forecast level of client weeks is 542 higher than the affordable levels generating a +£653k forecast pressure. The gross unit cost is currently forecast to be £25.02 lower than the affordable level, which generates a -£989k forecast under spend. The forecast activity for this service is based on known individual clients including provisional and transitional clients. Provisional clients are those whose personal circumstances are changing and therefore require a more intense care package or greater financial help. Transitional clients are children who are transferring to adult social services. There are also variances on the preserved rights budgets where activity is forecast to be 1,591 weeks lower than affordable creating a saving of -£1,369k offset by a unit cost variance totalling +£94k. In addition, a further saving of -£85k has been generated from a release of a provision no longer required. These under spends are partially offset by a +£289k pressure resulting from delays in the review of in-house units and a consequential delay in delivering the budgeted savings. The balance of the gross pressure relates to additional nursing care to be recharged to health (Registered Nursing Care Contribution - RNCC) (+£19k).

The additional forecast client weeks for residential care add -£48k of income, and the actual income per week is higher than the expected level by £9.92 which generates a further over-recovery in income of -£392k.

The reduction in client weeks compared to the affordable level for preserved rights residential care creates a loss of +£131k of income, coupled with a lower actual income per week than the expected level of £25.79 which generates an under-recovery in income of +£762k.

The remaining income variance of +£7k relates to in house provision and RNCC.

Within this budget line, it is currently assumed that this service will fully deliver the £2,445k budgeted procurement savings and further updates will be given in future monitoring returns.

b. **Older People- Nursing -£483k (+£262k Gross, -£745k Income)**

There is a forecast pressure of £262k on gross and an over recovery of income of -£745k, leaving a net under spend of -£483k. The unit cost is currently forecast to be £4.66 higher than budget, which gives a forecast pressure of +£380k, coupled with a minor variance on activity (-£71k). The remaining gross variance of -£47k relates to minor variances on preserved rights.

There is a forecast increase in the average unit income being charged resulting in an over recovery in income of -£818k, along with a minor activity variance (+£31k) and minor variances on preserved rights of +£42k.

c. **Older People- Residential +£825k (-£1,690k Gross, +£2,515k Income)**

This service is reporting a gross under spend of £1,690k, along with an under recovery of income of £2,515k. The forecast level of client weeks is 3,409 lower than the affordable levels, which generates a forecast under spend of -£1,348k. This under spend is partially offset by the unit cost being £1.67 higher than the affordable levels creating a +£252k pressure.

A gross underspend is also forecast for Preserved Rights of £339k mainly due to a lower than affordable level of activity of 903 weeks creating a -£392k under spend, offset by a +£53k minor pricing pressure. The remaining forecast gross variance of -£255k reflects the savings against the In-house provision, including Integrated Care centres (ICC), which are beginning to filter through, as part of the Modernisation Strategy.

On the income side, the reduction in activity results in a +£461k shortfall in client income, along with a lower than budgeted average unit income being charged which has increased this shortfall by +£1,015k. In addition, there is a forecast under recovery of income of +£961k for the In-house service & ICCs, mainly due to less permanent clients being placed in the homes because of the OP Modernisation Strategy. The remaining income variance (+£78k) comprises a number of smaller variances each below £100k.

We continue to expect some volatility in the forecast against this service line this year because of the impact of the Modernisation agenda.

d. Physical Disability -£286k (-£483k Gross, £197k Income)

A gross under spend of £483k, along with an under recovery of income of £197k, is reported for this budget. The forecast level of client weeks of service is 920 lower than the affordable level, giving a forecast under spend of -£795k. The forecast unit cost is currently £11.08 higher than the affordable level, which reduces that under spend by +£157k. The under spend is further offset by pressures relating the Preserved Rights service (+£125k) and RNCC clients (+£30k).

The reduced activity is forecast to lower income by +£96k, coupled with the forecast weekly income being £9.85 lower than budgeted resulting in an under recovery of +£139k. There are also minor income variances on preserved rights (-£8k) and RNCC (-30k).

1.1.3.4 **Supported Accommodation +£2,110k (+1,457k Gross, +£653k Income):**

a. Learning Disability +£2,289k (+£1,524k Gross, +£765k Income)

A gross pressure of £1,524k, offset with an under recovery of income of £765k generates the above net forecast variance. The forecast level of client weeks is 1,691 higher than the affordable levels generating a +£1,536k forecast pressure. The gross unit cost is currently forecast to be £17.63 lower than the affordable level, which generates a -£597k forecast under spend. The forecast also includes a +£767k addition to the Social Care costs reserve for potential liabilities relating to ordinary residence and the remaining gross variances, totalling -£182k, are each less than £100k, across other services including group homes, link placements and resource centres.

The increased activity creates an over recovery of income (-£82k); however the average unit income is lower than budgeted, so creates an under-recovery of income of +£854k. The reduction in unit income is partly due to a reduction in expected income for continuing health care i.e. those clients funded by health. The remaining income variance (-£7k) is on several service lines under this heading, each below £100k

Within this budget, it is currently assumed that this service will fully deliver the £854k budgeted pricing savings, and further updates will be given in future monitoring returns.

b. Physical Disability / Mental Health -£179k (-£67k Gross, -£112k Income)

There is a small over recovery of income of £112k forecast for both Physical Disability and Mental Health primarily due to a higher than budgeted weekly income per client.

1.1.3.5 **Other Services for Adults & Older People -£718k (-£826k Gross, +£108k Income):**

a. Contributions to Voluntary Organisations +£228k (+£157k Gross, +£71k Income)

Various contracts with voluntary organisations are currently being reviewed/re-negotiated or re-commissioned along with investment in new services to support the transformation agenda (including expansion of care navigators programme, a service to explore options with older people to enable them to live independently within their community). The current effect of this is an anticipated pressure of +£157k. The income variance of +£71k is because the profile of payments to voluntary organisations in the current year is more focused on social care rather than health, resulting in reduced contributions from PCTs.

b. Day Care -£865k (-£907k Gross, +£42k Income)

A reduction in staffing levels due to the continued non-recruitment and re-deployment to posts in preparation for modernisation and a reduction in client numbers results in an under spend of -£204k for Learning Disability in-house provision. This is coupled with further under spends on the commissioning of external learning disability day care services (-£185k). The balance of the gross under spend is mainly due to a number of re-commissioning strategies for in-house and independently provided services across the Older People client group (-£436k) and other minor variances across the other client groups (-£82k). The income pressure results from a reduction in health contributions based on the current client profile.

1.1.3.6 Assessment Services – Adult’s Social Care staffing -£29k (-£137k Gross, +£108k Income):

The gross under spend of -£137k reflects the overall current staffing forecast and assumes vacancies will be recruited to. The forecast reduction in income of +£108k is due to many minor variances including the reduction in supporting people funding (+£57k).

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER
(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Supported Accommodation - Learning Disability Gross: forecast number of weeks higher than affordable level	+1,536	ASCPH	Direct Payments - Learning Disability Gross: forecast number of weeks below affordable level	-1,444
ASCPH	Domiciliary Care - Older People Income: forecast charge lower than budgeted level	+1,255	ASCPH	Residential Care - Learning Disability Gross: preserved rights number of weeks is lower than the affordable level	-1,369
ASCPH	Residential Care - Older People Income: forecast unit charge lower than the budgeted level	+1,015	ASCPH	Residential Care - Older People Gross: forecast number of weeks lower than affordable level	-1,348
ASCPH	Domiciliary Care - Learning Disability Gross: forecast unit cost higher than affordable level	+1,010	ASCPH	Domiciliary Care - Older People Gross: forecast number of hours lower than affordable level	-1,175
ASCPH	Residential Care - Older People Income: lower income resulting from the placing of less permanent clients in in-house units	+961	ASCPH	Direct Payments - Older People Gross: forecast number of weeks below affordable level	-1,163
ASCPH	Supported Accommodation - Learning Disability Income: forecast unit charge is lower than budgeted level	+854	ASCPH	Residential Care - Learning Disability Gross: unit cost is lower than budgeted level	-989
ASCPH	Supported Accommodation - Learning Disability Gross: additions to the social care costs reserve	+767	ASCPH	Direct Payments - Physical Disability Gross: forecast number of weeks below affordable level	-827
ASCPH	Residential Care - Learning Disability Income: preserved rights lower forecast charge than budgeted level	+762	ASCPH	Nursing Care - Older People Income: forecast unit charge higher than the budgeted level	-818
ASCPH	Residential Care - Learning Disability Gross: forecast number of weeks higher than affordable level	+653	ASCPH	Residential Care - Physical Disability Gross: forecast number of weeks lower than affordable level	-795
ASCPH	Domiciliary Care - Physical Disability Gross: forecast unit cost higher than budgeted level	+507	ASCPH	Domiciliary Care - Learning Disability Gross: forecast number of hours lower than affordable level	-789
ASCPH	Residential Care - Older People Income: forecast number of weeks lower than affordable level	+461	ASCPH	Domiciliary Care - Physical Disability Gross: forecast no of hours lower than affordable level	-610
ASCPH	Nursing Care - Older People Gross: forecast unit cost higher than budgeted level	+380	ASCPH	Supported Accommodation - Learning Disability Gross: forecast unit cost is lower than the budgeted level	-597

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domiciliary Care - Older People Income: forecast number of hours lower than affordable level	+355	ASCPH	Domiciliary Care - Older People Gross: Savings from the Kent Enablement at Home service as a result of forecast activity below budgeted level	-552
ASCPH	Domiciliary Care - Learning Disability Income: changing client profile in the Independent Living Service leading to reduced levels of support for those clients in receipt of external funding	+306	ASCPH	Domiciliary Care - Learning Disability Income: forecast unit charge greater than budgeted level	-469
ASCPH	Residential Care - Learning Disability Gross: delay in the review of in-house units	+289	ASCPH	Day Care - Older People Gross: savings from re-commissioning strategies in both in-house & external services	-436
ASCPH	Residential Care - Older People Gross: forecast unit cost higher than budgeted level	+252	ASCPH	Residential Care - Learning Disability Income: forecast unit charge is higher than the budgeted level	-392
ASCPH	Direct Payments - Learning Disability Income: forecast unit charge below the affordable level	+244	ASCPH	Residential Care - Older People Gross: preserved rights number of weeks forecast to be lower than affordable level	-392
ASCPH	Direct Payments - Physical Disability Gross: one-off direct payments	+216	ASCPH	Domiciliary Care - Older People Gross: savings on the provision of domi care to clients within sheltered accommodation	-327
ASCPH	Direct Payments - Older People Income: forecast number of weeks below affordable level	+169	ASCPH	Domiciliary Care - Older People Gross: savings on block contracts	-318
ASCPH	Residential Care - Physical Disability Gross: forecast unit cost is higher than the budgeted level	+157	ASCPH	Direct Payments - Physical Disability Gross: forecast unit cost lower than affordable level	-310
ASCPH	Contributions to Voluntary Organisations Gross: review and commissioning of new services to support transformation agenda	+157	ASCPH	Residential Care - Older People Gross: savings on in-house service & Integrated Care Centres due to OP modernisation strategy	-255
ASCPH	Residential Care: Physical Disability Income: forecast unit charge lower than budgeted level	+139	ASCPH	Direct Payments - Older People Income: forecast unit charge higher than affordable level	-236
ASCPH	Domiciliary Care - Learning Disability Income: forecast number of hours lower than affordable level	+139	ASCPH	Day Care - Learning Disability Gross: staffing savings on in-house service from modernisation strategy & reduced client numbers	-204
ASCPH	Residential Care - Learning Disability Income: preserved rights number of weeks is lower than affordable level	+131	ASCPH	Day Care - Learning Disability Gross: savings on the commissioning of external day care services	-185
ASCPH	Direct Payments - Older People Gross: forecast unit cost is above budgeted level	+129	ASCPH	Domiciliary Care - Older People Gross: forecast unit cost lower than budgeted level	-166
ASCPH	Residential Care: Physical Disability Gross: pressure on preserved rights	+125	ASCPH	Direct Payments - Learning Disability Gross: forecast unit cost below affordable level	-150

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
ASCPH	Domiciliary Care - Learning Disability Gross: pressure on provision of domicare to clients within extra care sheltered housing	+115	ASCPH	Adult Social Care Staffing: Staff Savings	-137
			ASCPH	Direct Payments - Physical Disability Income: forecast unit charge greater than budgeted level	-136
			ASCPH	Supported Accommodation - Physical Disability/Mental Health - Income: forecast unit charge is higher than budgeted level	-112
		+13,084			-16,701

1.1.4 Actions required to achieve this position:

N/A

1.1.5 Implications for MTFP:

Work is currently underway to establish how the forecast £3.474m underspend contributes towards the delivery of the transformation programme savings already built into the MTFP.

1.1.6 Details of re-phasing of revenue projects:

None

1.1.7 Details of proposals for residual variance: *[eg roll forward proposals; mgmt action outstanding]*

None

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Adult Social Care and Public Health portfolio has an approved budget for 2012-15 of £21.468m (see table 1 below). The forecast outturn against this budget is £20.019m, giving a variance of -£1.449m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£1.418m (see table 3).

1.2.3 Tables 1 to 3 summaries the portfolio's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet excl PFI	21.201	
Approvals made since last reported to Cabinet	0.267	
Revised approved budget	21.468	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

Scheme	Portfolio	Amount £m	Reason
Various schemes		-0.031	Minor over/underspends on various project
Total		-0.031	

1.2.6 There are a number of minor over and underspends on various projects as set out in table 4 resulting in an overall underspend of £0.027m. Cabinet are asked to note that it is proposed to use the underspends to offset the projects with overspends, however cash limits will not be changed unless a virement is actioned.

1.2.7 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	0.000
Funded variance (from table 2)	-0.031
Variance to be funded from revenue	0.000
Rephasing (beyond 2012-15)	-1.418
Total variance	-1.445

Main reasons for variance

1.2.8 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.9 Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red /amber /green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Modernisation of Assets (Adults)	0.808	0.437	0.371	0.000	0.324	0.000	-0.047	-0.047	
Home Support Fund	9.456	4.312	3.532	1.612	3.532	1.612	0.000	0.000	
Tunbridge Wells Respite (formerly Rusthall Site)	0.217	0.167	0.050	0.000	0.000	0.000	-0.050	-0.050	
Bower Mount Project	60.815	60.803	0.012	0.000	0.004	0.000	-0.008	-0.008	
MH General Pot	0.479	0.283	0.196	0.000	0.196	0.000	0.000	0.000	
Public Access	0.412	0.118	0.294	0.000	0.296	0.000	0.002	0.002	
OP Strategy - Specialist Care Facilities - Approval to spend	0.171	0.000	0.171	0.000	0.171	0.000	0.000	0.000	
Bearsted Dementia Project	0.025	0.025	0.000	0.000	0.000	0.000	0.000	0.000	
Mental Health SCP	0.292	0.000	0.292	0.000	0.290	0.000	-0.002	-0.002	
Folkestone Activities, Respite & Rehabilitation Care Centre	0.031	0.001	0.030	0.000	0.036	0.000	0.006	0.006	
IT Infrastructure Grant - IT Related Projects	1.585	0.562	1.024	0.000	1.024	0.000	0.000	0.000	
Dartford TC - OP Strategy - Trinity Centre, Dartford	1.121	0.122	0.999	0.000	0.999	0.000	0.000	0.000	
Dorothy Lucy Centre - OP Strategy - Specialist Care Facilities	3.611	0.000	3.611	0.000	3.611	0.000	0.000	0.000	
IT Infrastructure - IT Related Projects	0.787	0.362	0.425	0.000	0.425	0.000	0.000	0.000	
Transformation in Adult Social Care - IT Related Projects	0.747	0.000	0.747	0.000	0.747	0.000	0.000	0.000	
OP Strategy - Specialist Care Facilities - Approval to plan	1.082	0.000	1.082	0.000	1.082	0.000	0.000	0.000	
LD Modernisation-Good Day Programme	6.748	0.427	6.321	0.000	6.393	0.000	0.073	0.073	
Community Care Centre - Thameside Eastern Quarry/Ebbsfleet	1.418	0.000	1.418	0.000	0.000	1.418	-1.418	0.000	Rephasing
Public Access Development	1.288	0.398	0.890	0.000	0.890	0.000	0.000	0.000	
TOTAL Adults Social Care and Public Health	91.093	68.017	21.464	1.612	20.019	3.030	-1.445	-0.027	

- 1.2.10 Status:
Green – Projects on time and budget
Amber – Projects either delayed or over budget
Red – Projects both delayed and over budget
- 1.2.11 Assignment of Green/Amber/Red Status
- 1.2.12 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.
- 1.2.13 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.
- 1.2.14 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

Community Care Centre – Thameside Eastern Quarry/Ebbsfleet

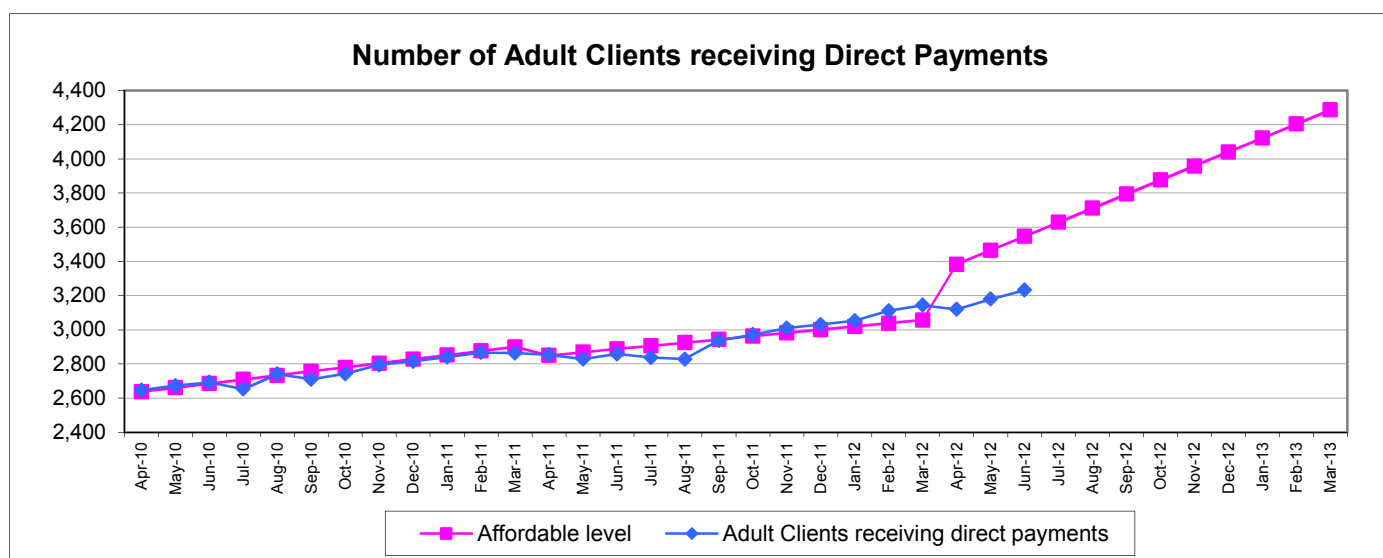
- 1.2.15 Rephasing of £1.418m to 2015/16. This is dependent on the housing development which is not progressing at the expected rate. This scheme is to be funded from developer contributions.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

The affordable levels of activity for 2012-13 have been amended from those included in the 2011-12 outturn report following the review of the budget across service groups in light of the 2011-12 outturn, the allocation of previously unallocated budgets and to reflect 2012-15 MTP pressures & savings as detailed in sections 1.1.1 and 1.1.2 of this annex.

2.1 Direct Payments – Number of Adult Social Services Clients receiving Direct Payments:

	2010-11		2011-12		2012-13	
	Affordable Level	Adult Clients receiving Direct Payments	Affordable Level	Adult Clients receiving Direct Payments	Affordable Level	Adult Clients receiving Direct Payments
April	2,637	2,647	2,850	2,854	3,383	3,120
May	2,661	2,673	2,869	2,828	3,465	3,180
June	2,685	2,693	2,888	2,858	3,547	3,232
July	2,709	2,653	2,906	2,838	3,629	
August	2,733	2,741	2,925	2,828	3,711	
September	2,757	2,710	2,944	2,937	3,794	
October	2,780	2,742	2,963	2,972	3,876	
November	2,804	2,795	2,982	3,010	3,958	
December	2,828	2,815	3,001	3,031	4,040	
January	2,852	2,841	3,019	3,053	4,122	
February	2,876	2,867	3,038	3,111	4,204	
March	2,900	2,864	3,057	3,144	4,286	

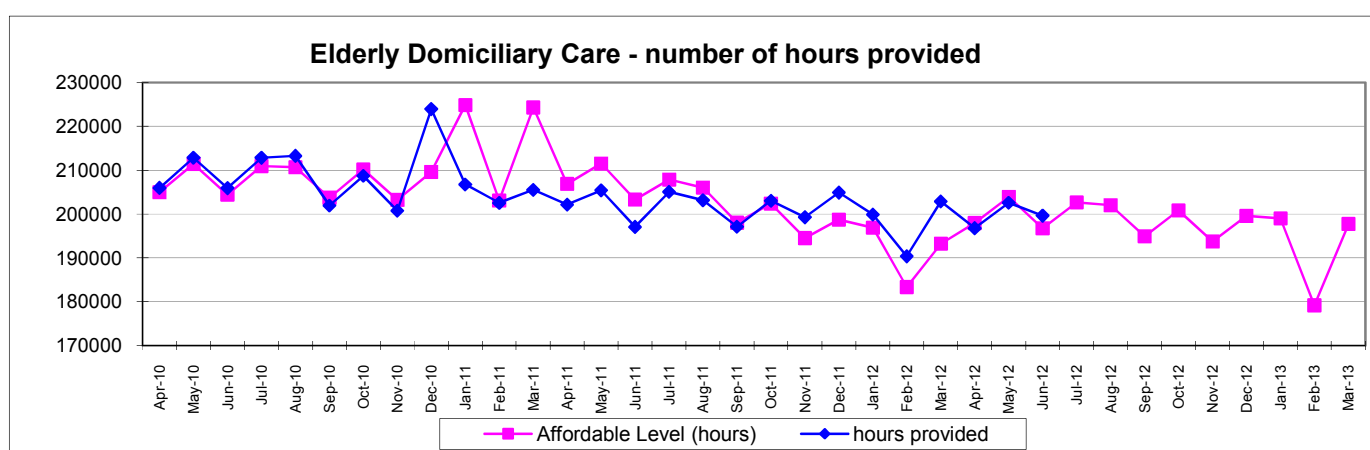
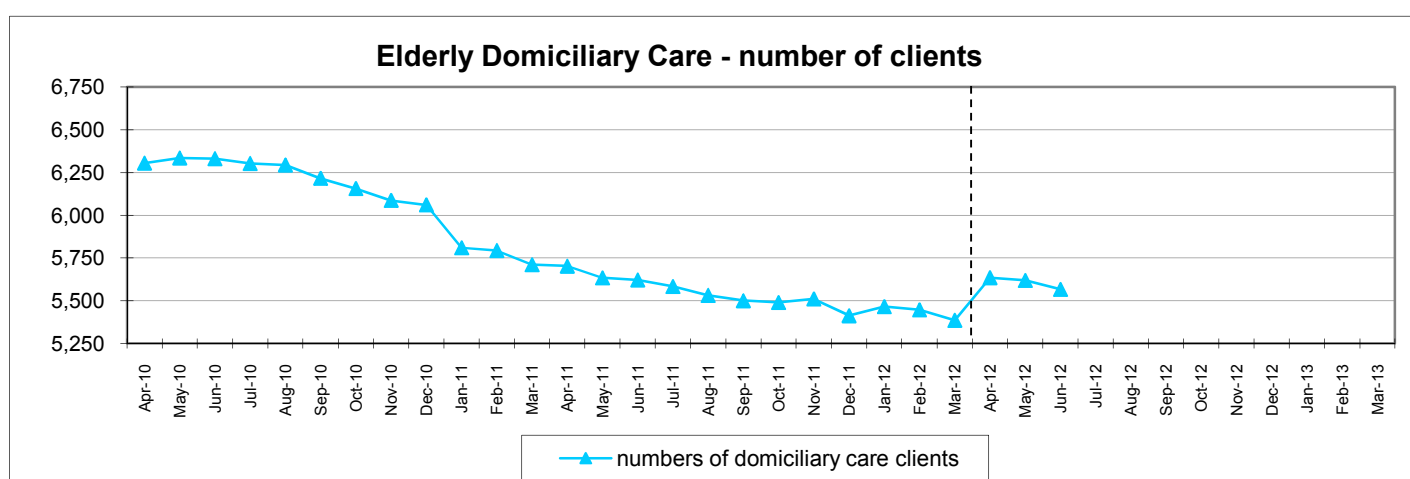


Comments:

- The activity being reported is the long term clients in receipt of direct payments as at the end of the month plus any one off payments during the year. The drive to implement personalisation and allocate personal budgets has seen continued increases in direct payments over the years. There will be other means by which people can use their personal budgets and this may impact on the take up of direct payments. Whilst the overall numbers of Direct Payments are increasing this is at a slower rate than the budget can afford, leading to a forecast gross under spend of £3.5m as shown in section 1.1.3.1. It is important to note, the current forecast is based on known clients only and does not factor in future growth in this service. This service received a significant amount of monies in the 2012-13 Budget (£3.5m) for the predicted growth in this service. A trend analysis is being completed to help predict the forecast growth in this service and future forecasts will include the outcome of this.
- Please note the affordable level of clients receiving direct payments has been updated from what was included in the 2011-12 outturn report to Cabinet on 9 July to reflect the latest budget position.

2.2.1 Elderly domiciliary care – numbers of clients and hours provided in the independent sector:

	2010-11			2011-12			2012-13		
	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients	Affordable level (hours)	hours provided	number of clients
April	204,948	205,989	6,305	206,859	202,177	5,703	197,939	196,796	5,635
May	211,437	212,877	6,335	211,484	205,436	5,634	203,909	202,594	5,619
June	204,452	205,937	6,331	203,326	197,085	5,622	196,744	199,657	5,567
July	210,924	212,866	6,303	207,832	205,077	5,584	202,675		
August	210,668	213,294	6,294	206,007	203,173	5,532	202,057		
September	203,708	201,951	6,216	198,025	197,127	5,501	194,951		
October	210,155	208,735	6,156	202,356	203,055	5,490	200,823		
November	203,212	200,789	6,087	194,492	199,297	5,511	193,757		
December	209,643	223,961	6,061	198,704	204,915	5,413	199,588		
January	224,841	206,772	5,810	196,879	199,897	5,466	198,971		
February	203,103	202,568	5,794	183,330	190,394	5,447	179,186		
March	224,285	205,535	5,711	193,222	202,889	5,386	197,739		
TOTAL	2,521,376	2,501,274		2,402,516	2,410,522		2,368,339	599,047	



Comment:

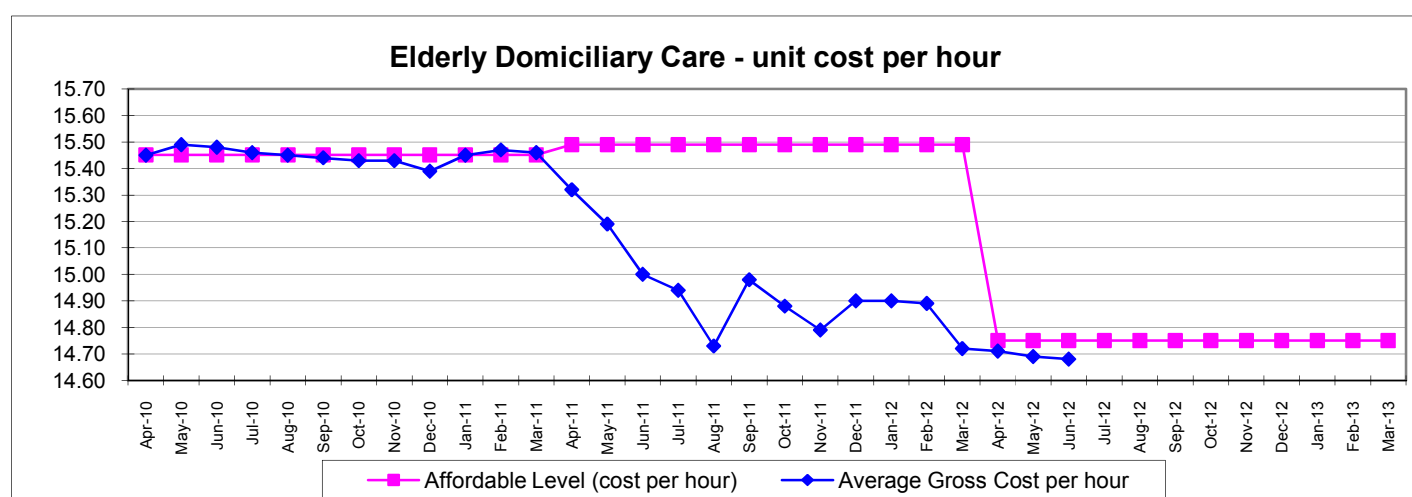
- Figures exclude services commissioned from the Kent Enablement At Home Service.
- The current forecast is 2,288,325 hours of care against an affordable level of 2,368,339, a difference of -80,014 hours. Using the forecast unit cost of £14.68 this reduction in activity reduces the forecast by £1,175k, as highlighted in section 1.1.3.2.b.
- To the end of June 599,047 hours of care have been delivered against an affordable level of 598,592, a difference of +455 hours. Current activity suggests that the forecast should be higher on this service, however the forecast assumes that savings of £1,322k included in the MTP as part of the

domiciliary procurement savings will be delivered through a reduction in hours provided throughout the remainder of the financial year, which is equivalent to approximately 89,600 hours based on the budgeted unit cost.

- Please note, from April 2012 there has been a change in the method of counting clients to align with current Department of Health guidance, which states that suspended clients e.g those who may be in hospital and not receiving a current service should still be counted. This has resulted in an increase in the number of clients being recorded. For comparison purposes, using the new counting methodology, the equivalent number of clients in March 2012 would have been 5,641. **A dotted line has been added to the graph to distinguish between the two different counting methodologies, as the data presented is not on a consistent basis and therefore is not directly comparable.**
- Domiciliary for all client groups are volatile budgets, with the number of people receiving domiciliary care decreasing over the past few years as a result of the implementation of Self Directed Support (SDS). This is being compounded by a shift in trend towards take up of the enablement service. However, as a result of this, clients who are receiving domiciliary care are likely to have greater needs and require more intensive packages of care than historically provided - the 2010-2011 average hours per client per week was 7.8, whereas the average figure for 2011-12 was 8.3. The position for the first quarter of 2012-13 is an average of 8.3 hours per client week. This suggests a levelling out of the number of hours provided per client week, however updates will continue to be given in future monitoring reports.
- Please note, the affordable level of client weeks has been updated from 2,313,768 included in the Outturn report to Cabinet on 9 July 2012 to 2,368,339 to reflect the budget realignment detailed in table 1a (section 1.1.2.1) and the adjustment to the affordable unit cost per week (in section 2.2.2).

2.2.2 Average gross cost per hour of older people domiciliary care compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour	Affordable Level (Cost per Hour)	Average Gross Cost per Hour
April	15.452	15.45	15.49	15.32	14.75	14.71
May	15.452	15.49	15.49	15.19	14.75	14.69
June	15.452	15.48	15.49	15.00	14.75	14.68
July	15.452	15.46	15.49	14.94	14.75	
August	15.452	15.45	15.49	14.73	14.75	
September	15.452	15.44	15.49	14.98	14.75	
October	15.452	15.43	15.49	14.88	14.75	
November	15.452	15.43	15.49	14.79	14.75	
December	15.452	15.39	15.49	14.90	14.75	
January	15.452	15.45	15.49	14.90	14.75	
February	15.452	15.47	15.49	14.89	14.75	
March	15.452	15.46	15.49	14.72	14.75	

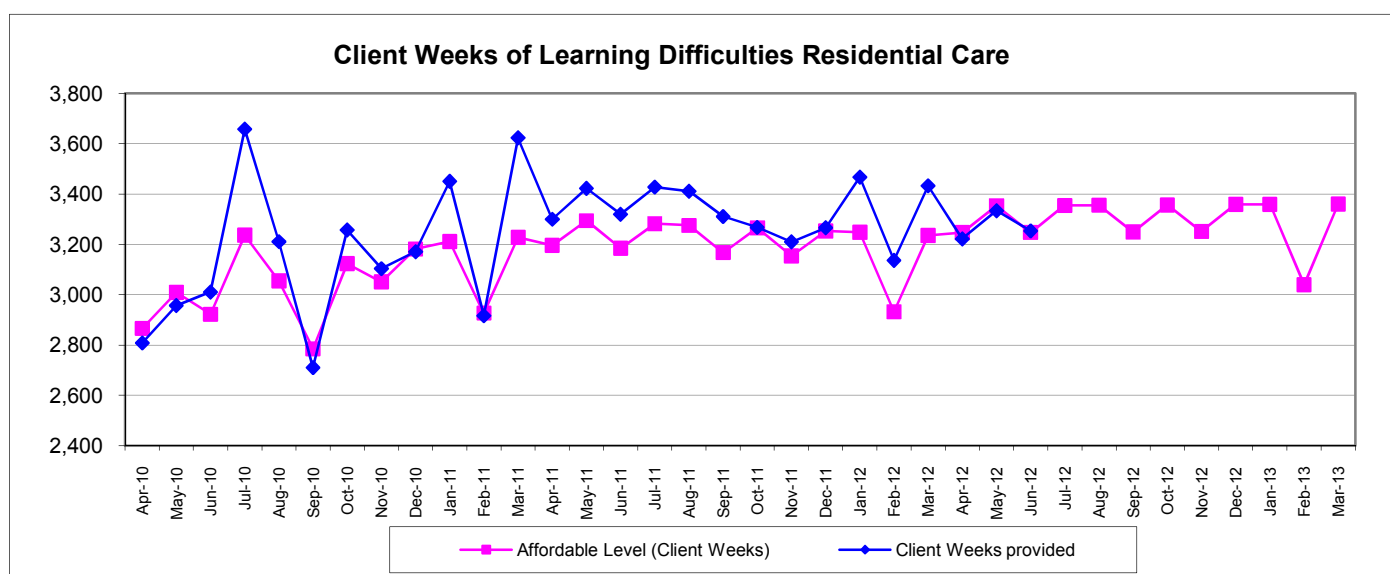


Comments:

- The unit cost shows an overall general reducing trend because current work with providers to achieve savings requires them to provide a service at a lower cost – this is ongoing work with all homecare providers. In addition, we are focussing on reducing the unit rate of care packages which are provided in $\frac{1}{2}$ and $\frac{3}{4}$ hours which have traditionally been slightly more expensive
- The forecast unit cost of £14.68 is slightly lower than the affordable cost of £14.75 and this difference of -£0.07 reduces the forecast by £166k when multiplied by the affordable hours, as highlighted in section 1.1.3.2.b.
- Please note, the affordable unit cost has been updated from the £14.87 included in the Outturn report to Cabinet on 9 July 2012 to £14.75 to reflect part of the domiciliary procurement savings allocated in 2012-13 budget. The remainder of the domiciliary procurement saving was due to be achieved through the domiciliary re-let, however this is now not due to take place this financial year and so the saving is expected to be achieved through a general reduction in client numbers receiving this service (the equivalent reduction in hours provided is referenced in Section 2.2.1 above).

2.3.1 Number of client weeks of learning difficulties residential care provided compared with affordable level (non preserved rights clients):

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided	Affordable Level (Client Weeks)	Client Weeks of LD residential care provided
April	2,866	2,808	3,196	3,300	3,246	3,222
May	3,009	2,957	3,294	3,423	3,353	3,334
June	2,922	3,011	3,184	3,320	3,247	3,254
July	3,236	3,658	3,282	3,428	3,355	
August	3,055	3,211	3,275	3,411	3,356	
September	2,785	2,711	3,167	3,311	3,249	
October	3,123	3,257	3,265	3,268	3,357	
November	3,051	3,104	3,154	3,210	3,251	
December	3,181	3,171	3,253	3,266	3,359	
January	3,211	3,451	3,248	3,467	3,359	
February	2,927	2,917	2,932	3,137	3,039	
March	3,227	3,624	3,235	3,433	3,362	
TOTAL	36,593	37,880	38,485	39,974	39,533	9,810

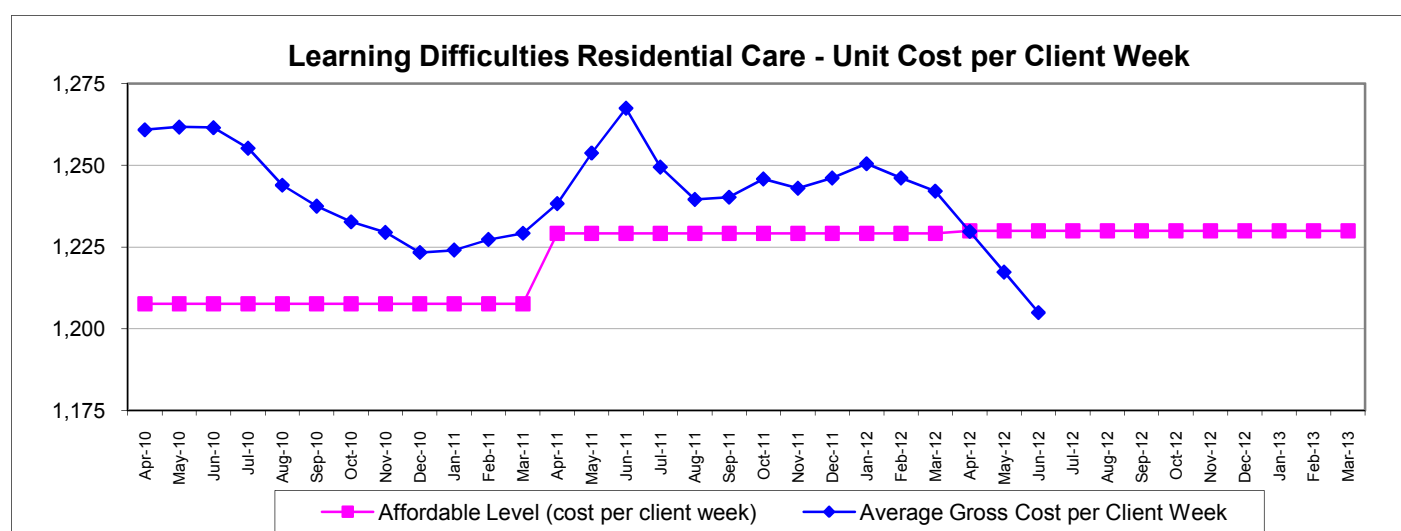


Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in LD residential care at the end of 2010-11 was 713, at the end of 2011-12 it was 746 and at the end of June 2012 it was 747. This includes any ongoing transfers as part of the S256 agreement with Health, transitions, provisions and Ordinary Residence.
- The current forecast is 40,075 weeks of care against an affordable level of 39,533, a difference of +542 weeks. Using the forecast unit cost of £1,204.91 this additional activity reduces forecast by £653k to the forecast, as highlighted in section 1.1.3.3.a.
- To the end of June 9,810 weeks of care have been delivered against an affordable level of 9,846, a difference of -36 weeks. The current activity variance suggests only a minor variance on activity however the forecast also includes 624 weeks of transition and provision clients (as described in section 1.1.3.3.a) i.e. clients expected to transfer to this service during this financial year.
- Please note, the affordable level of client weeks has been updated from 38,597 included in the Outturn report to Cabinet on 9 July 2012 to 39,533 to reflect the budget realignment detailed in table 1a (section 1.1.2.1) and the adjustment to the affordable unit cost per week (in section 2.3.2).

2.3.2 Average gross cost per client week of Learning Difficulties residential care compared with affordable level (non preserved rights clients):

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	1,207.58	1,260.82	1,229.19	1,238.24	1,229.93	1,229.69
May	1,207.58	1,261.67	1,229.19	1,253.68	1,229.93	1,217.30
June	1,207.58	1,261.46	1,229.19	1,267.40	1,229.93	1,204.91
July	1,207.58	1,255.21	1,229.19	1,249.41	1,229.93	
August	1,207.58	1,243.87	1,229.19	1,239.50	1,229.93	
September	1,207.58	1,237.49	1,229.19	1,240.17	1,229.93	
October	1,207.58	1,232.68	1,229.19	1,245.76	1,229.93	
November	1,207.58	1,229.44	1,229.19	1,242.97	1,229.93	
December	1,207.58	1,223.31	1,229.19	1,246.05	1,229.93	
January	1,207.58	1,224.03	1,229.19	1,250.44	1,229.93	
February	1,207.58	1,227.26	1,229.19	1,246.11	1,229.93	
March	1,207.58	1,229.19	1,229.19	1,242.08	1,229.93	

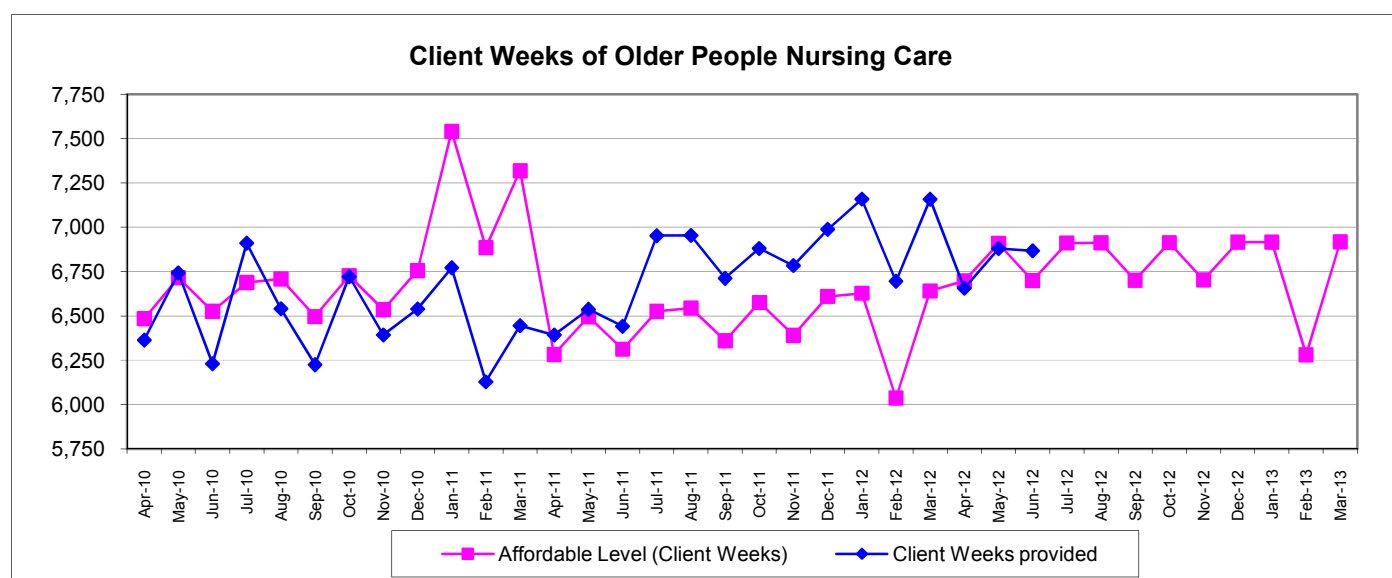


Comments:

- Clients being placed in residential care are those with very complex and individual needs which makes it difficult for them to remain in the community, in supported accommodation/supporting living arrangements, or receiving a domiciliary care package. These are therefore placements which attract a very high cost, with the average now being over £1,200 per week. It is expected that clients with less complex needs, and therefore less cost, can transfer from residential into supported living arrangements. This would mean that the average cost per week would increase over time as the remaining clients in residential care would be those with very high cost – some of whom can cost up to £2,000 per week. In addition, no two placements are alike – the needs of people with learning disabilities are unique and consequently, it is common for average unit costs to increase or decrease significantly on the basis of one or two cases. The general increase in the average cost per week due to the complexity of clients has been offset this financial year by the price savings forecast to be achieved as part of the 2012-13 budget. There is some uncertainty as to whether the full savings will be achieved through cost savings alone and this continues to be monitored closely.
- The forecast unit cost of £1,204.91 is lower than the affordable cost of £1,229.93 and this difference of -£25.02 saves -£989k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.3.a. Please note the forecast assumes the full budgeted procurement saving of £2,445k will be achieved.
- Please note the affordable unit cost per week has been updated from £1,254.52 included in the Outturn report to Cabinet on 9 July 2012 to £1,229.93. The affordable level now reflects the procurement savings included in the 2012-15 MTP.

2.4.1 Number of client weeks of older people nursing care provided compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided	Affordable Level (Client Weeks)	Client Weeks of older people nursing care provided
April	6,485	6,365	6,283	6,393	6,698	6,656
May	6,715	6,743	6,495	6,538	6,909	6,880
June	6,527	6,231	6,313	6,442	6,699	6,867
July	6,689	6,911	6,527	6,953	6,911	
August	6,708	6,541	6,544	6,954	6,912	
September	6,497	6,225	6,361	6,713	6,701	
October	6,726	6,722	6,576	6,881	6,913	
November	6,535	6,393	6,391	6,784	6,703	
December	6,755	6,539	6,610	6,988	6,915	
January	7,541	6,772	6,628	7,159	6,915	
February	6,885	6,129	6,036	6,696	6,281	
March	7,319	6,445	6,641	7,158	6,917	
TOTAL	81,382	78,016	77,405	81,659	81,474	20,403

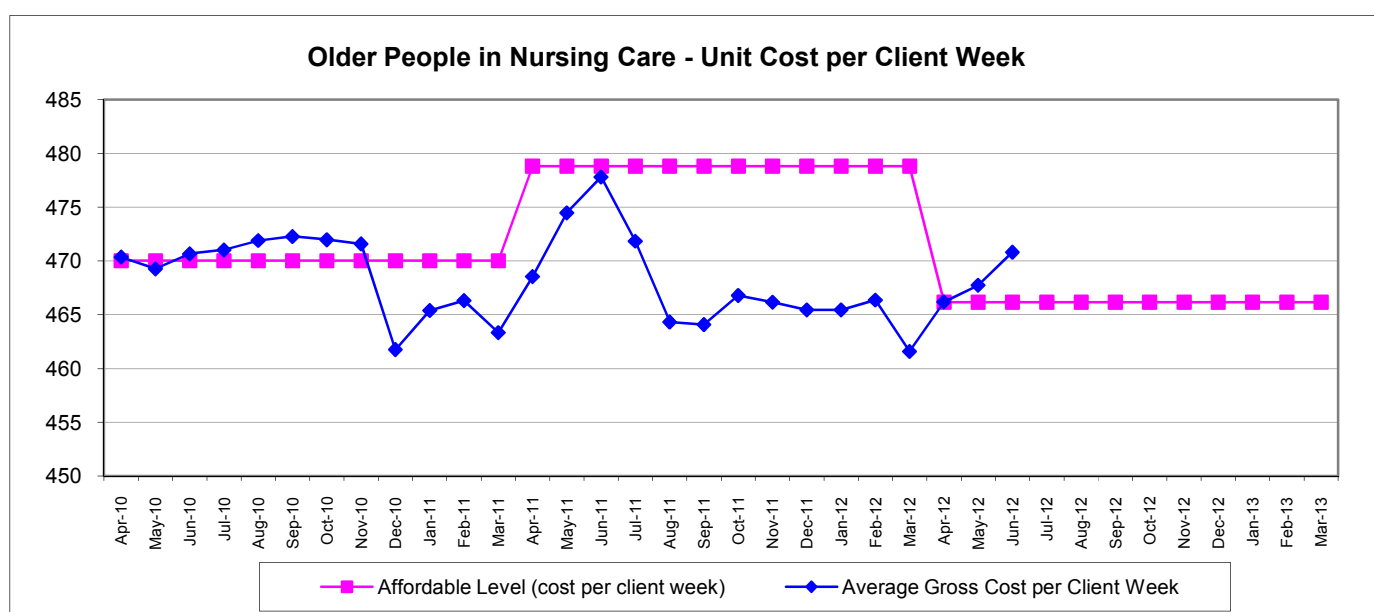


Comment:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people nursing care at the end of 2010-11 was 1,379, at the end of 2011-12 it was 1,479 and at the end of June 2012 it was 1,483.
- The current forecast is 81,324 weeks of care against an affordable level of 81,474, a difference of -150 weeks. Using the actual unit cost of £470.82, this reduced activity saves £71k on the forecast, as highlighted in section 1.1.3.3.b.
- To the end of June 20,403 weeks of care have been delivered against an affordable level of 20,306, a difference of +97 weeks. However the forecast assumes a drop in clients throughout the remainder of the financial year.
- Please note, the affordable level of client weeks has been updated from 77,955 included in the Outturn report to Cabinet on 9 July 2012 to 81,474 to reflect the budget realignment detailed in table 1a (section 1.1.2.1).

2.4.2 Average gross cost per client week of older people nursing care compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	470.01	470.36	478.80	468.54	466.16	466.20
May	470.01	469.27	478.80	474.48	466.16	467.74
June	470.01	470.67	478.80	477.82	466.16	470.82
July	470.01	471.03	478.80	471.84	466.16	
August	470.01	471.90	478.80	464.32	466.16	
September	470.01	472.28	478.80	464.09	466.16	
October	470.01	471.97	478.80	466.78	466.16	
November	470.01	471.58	478.80	466.17	466.16	
December	470.01	461.75	478.80	465.44	466.16	
January	470.01	465.40	478.80	465.44	466.16	
February	470.01	466.32	478.80	466.36	466.16	
March	470.01	463.34	478.80	461.58	466.16	

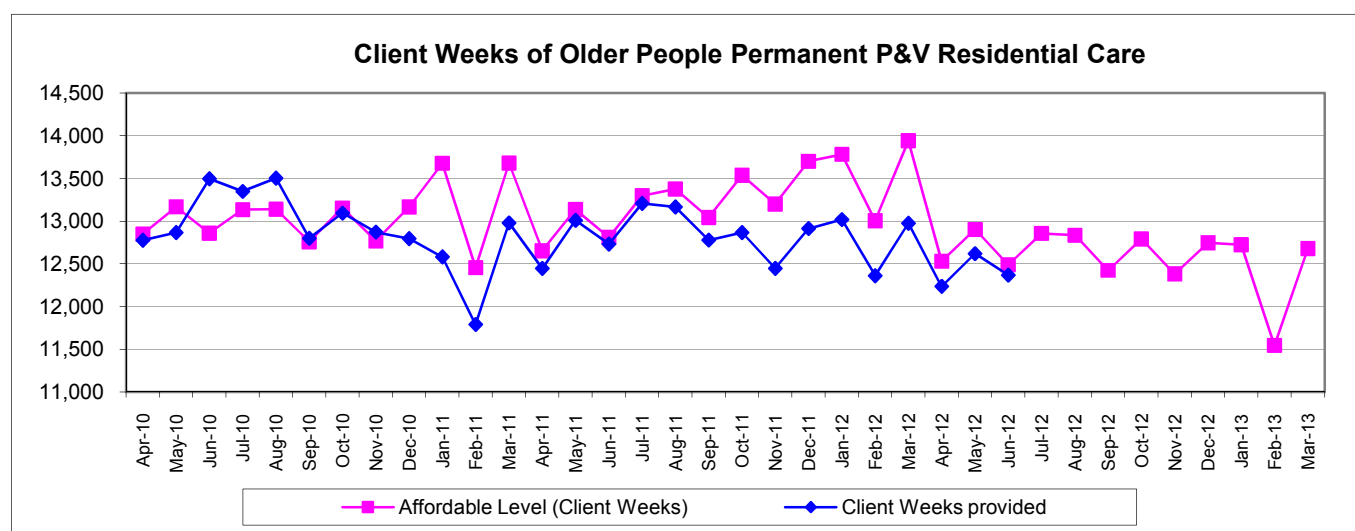


Comments:

- As with residential care, the unit cost for nursing care will be affected by the increasing proportion of older people with dementia who need more specialist and expensive care, which is why the unit cost can be quite volatile.
- The forecast unit cost of £470.82 is slightly higher than the affordable cost of £466.16 and this difference of +£4.66 adds £380k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.3.b.
- Please note, the affordable unit cost has increased from £465.89 reported in the 2011-12 Outturn report to Cabinet on 9 July 2012 to £466.16 to reflect the inflationary increase in prices included in the budget.

2.5.1 Number of client weeks of older people permanent P&V residential care provided compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided	Affordable Level (Client Weeks)	Client Weeks of older people permanent P&V residential care provided
April	12,848	12,778	12,655	12,446	12,532	12,237
May	13,168	12,867	13,136	13,009	12,903	12,621
June	12,860	13,497	12,811	12,731	12,489	12,369
July	13,135	13,349	13,297	13,208	12,858	
August	13,141	13,505	13,377	13,167	12,836	
September	12,758	12,799	13,044	12,779	12,424	
October	13,154	13,094	13,538	12,868	12,792	
November	12,771	12,873	13,200	12,448	12,382	
December	13,167	12,796	13,700	12,914	12,748	
January	13,677	12,581	13,782	13,019	12,726	
February	12,455	11,790	13,007	12,361	11,545	
March	13,678	12,980	13,940	12,975	12,679	
TOTAL	156,812	154,909	159,487	153,925	150,914	37,227



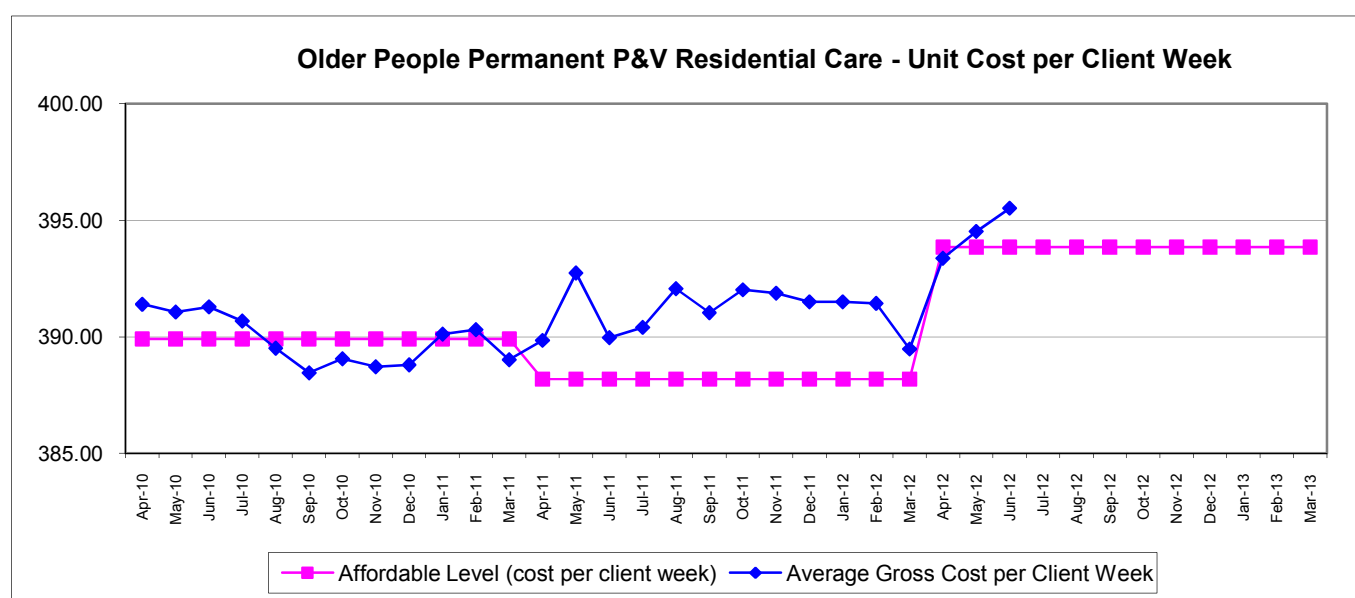
Comments:

- The above graph reflects the number of client weeks of service provided as this has a greater influence on cost than the actual number of clients. The actual number of clients in older people permanent independent residential care at the end of 2010-11 it was 2,787, at the end of 2011-12 it was 2,736 and by the end of June 2012 it was 2,682. It is evident that there are ongoing pressures relating to clients with dementia who require a greater intensity of care.
- It is difficult to consider this budget line in isolation, as the Older Person's modernisation strategy has meant that fewer people are being placed in our in-house provision, so we would expect that there will be a higher proportion of permanent placements being made in the independent sector which is masking the extent of the overall reducing trend in residential client activity.
- The current forecast is 147,505 weeks of care against an affordable level of 150,914, a difference of -3,409 weeks. Using the forecast unit cost of £395.52 this reduced activity saves £1,348k from the forecast, as highlighted in section 1.1.3.3.c.
- To the end of June 37,227 weeks of care have been delivered against an affordable level of 37,924, a difference of -697 weeks. The forecast number of weeks reflects further anticipated reductions in activity resulting from forecast lower client numbers during the remainder of the financial year.

- The affordable level has been updated from 156,080 reported in the 2011-12 outturn report to 150,914 to reflect budget realignment detailed in table 1a (section 1.1.2.1) and the adjustment to the affordable unit cost per week in section 2.5.2.

2.5.2 Average gross cost per client week of older people permanent P&V residential care compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	389.91	391.40	388.18	389.85	393.85	393.37
May	389.91	391.07	388.18	392.74	393.85	394.52
June	389.91	391.29	388.18	389.97	393.85	395.52
July	389.91	390.68	388.18	390.41	393.85	
August	389.91	389.51	388.18	392.07	393.85	
September	389.91	388.46	388.18	391.04	393.85	
October	389.91	389.06	388.18	392.02	393.85	
November	389.91	388.72	388.18	391.87	393.85	
December	389.91	388.80	388.18	391.50	393.85	
January	389.91	390.12	388.18	391.50	393.85	
February	389.91	390.31	388.18	391.44	393.85	
March	389.91	389.02	388.18	389.48	393.85	

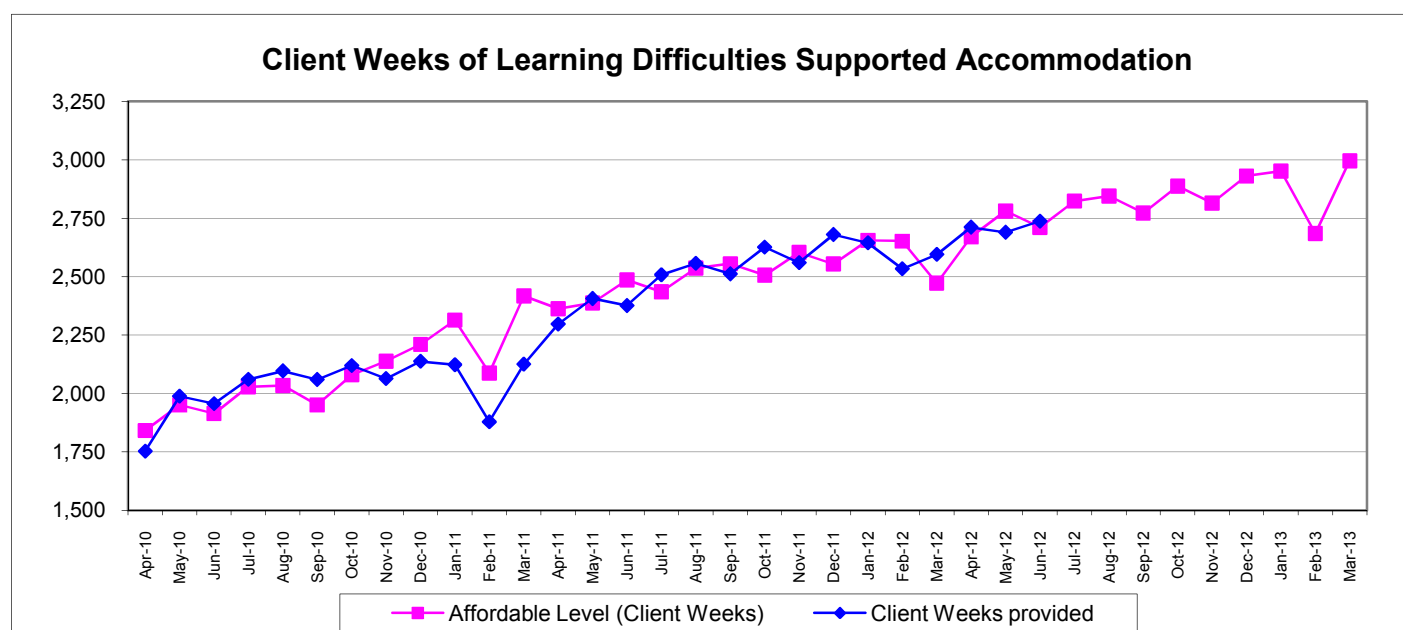


Comments:

- The forecast unit cost of £395.52 is higher than the affordable cost of £393.85 and this difference of +£1.67 adds £252k to the position when multiplied by the affordable weeks, as highlighted in section 1.1.3.3.c. This higher average unit cost is likely to be due to the higher proportion of clients with dementia, which are more costly due to the increased intensity of care required, as outlined above.
- The affordable unit cost has been updated from £395.60 reported in the 2011-12 Outturn report to £393.85 to reflect the current budgeted level following the realignment shown in table 1a.

2.6.1 Number of client weeks of learning difficulties supported accommodation provided compared with affordable level:

	2010-11		2011-12		2012-13	
	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided	Affordable Level (Client Weeks)	Client Weeks of LD supported accommodation provided
April	1,841	1,752	2,363	2,297	2,670	2,712
May	1,951	1,988	2,387	2,406	2,781	2,690
June	1,914	1,956	2,486	2,376	2,711	2,737
July	2,029	2,060	2,435	2,508	2,824	
August	2,034	2,096	2,536	2,557	2,845	
September	1,951	2,059	2,555	2,512	2,773	
October	2,080	2,119	2,506	2,626	2,888	
November	2,138	2,063	2,603	2,560	2,815	
December	2,210	2,137	2,554	2,680	2,931	
January	2,314	2,123	2,655	2,644	2,952	
February	2,088	1,878	2,652	2,534	2,685	
March	2,417	2,125	2,472	2,595	2,996	
TOTAL	24,967	24,356	30,204	30,295	33,871	8,139



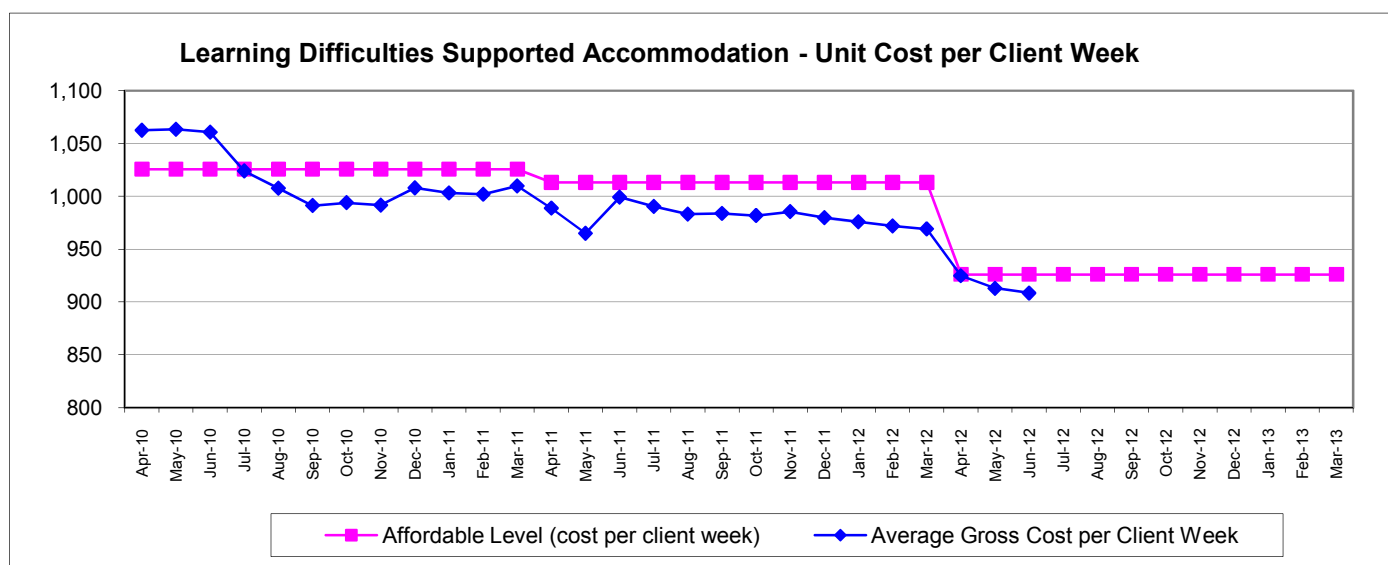
Comments:

- The above graph reflects the number of client weeks of service provided. The actual number of clients in LD supported accommodation at the end of 2010-11 was 491 of which 131 were S256 clients, at the end of 2011-12 it was 607 of which 156 were S256 clients, and at the end of June 2012 it was 625.
- The current forecast is 35,562 weeks of care against an affordable level of 33,871, a difference of +1,691 weeks. Using the forecast unit cost of £908.53 this increase in activity provides a pressure of £1,536k as reflected in section 1.1.3.4a.
- To the end of June 8,139 weeks of care have been delivered against an affordable level of 8,162, a difference of +23 weeks. This suggests only a slight pressure on this service however the forecast also includes approximately 2,000 weeks of expected transition and provision clients, therefore there is expected to be an increased pressure on this service in the coming months.
- Like residential care for people with a learning disability, every case is unique and varies in cost, depending on the individual circumstances. Although the quality of life will be better for these people, it is not always significantly cheaper. The focus to enable as many people as possible to move from residential care into supported accommodation means that more and increasingly complex and unique cases will be successfully supported to live independently.

- The affordable level has been updated from 32,101 quoted in the 2011-12 Outturn report to 33,871 to reflect the budget realignment (as detailed in Section 1.1.2.1) and the adjustment to the budgeted unit cost in Section 2.6.2.

2.6.2 Average gross cost per client week of Learning Difficulties supported accommodation compared with affordable level (non preserved rights clients):

	2010-11		2011-12		2012-13	
	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week	Affordable Level (Cost per Week)	Average Gross Cost per Client Week
April	1,025.67	1,062.38	1,013.18	988.73	926.16	924.87
May	1,025.67	1,063.22	1,013.18	964.95	926.16	912.93
June	1,025.67	1,060.59	1,013.18	999.24	926.16	908.53
July	1,025.67	1,023.90	1,013.18	990.45	926.16	
August	1,025.67	1,007.58	1,013.18	983.09	926.16	
September	1,025.67	991.20	1,013.18	983.85	926.16	
October	1,025.67	993.92	1,013.18	981.78	926.16	
November	1,025.67	991.56	1,013.18	985.45	926.16	
December	1,025.67	1,007.95	1,013.18	979.83	926.16	
January	1,025.67	1,003.21	1,013.18	975.90	926.16	
February	1,025.67	1,001.98	1,013.18	971.85	926.16	
March	1,025.67	1,009.82	1,013.18	969.09	926.16	



Comments:

- The forecast unit cost of £908.53 is lower than the affordable cost of £926.16 and this difference of -£17.63 provides a saving of £597k when multiplied by the affordable weeks. The forecast unit cost assumes £854k of procurement savings will be achieved.
- There are three distinct groups of clients: Section 256 clients, Ordinary Residence clients and other clients. Each group has a very different unit cost, which are combined to provide an average unit cost for the purposes of this report.
- The costs associated with these placements will vary depending on the complexity of each case and the type of support required in each placement. This varies enormously between a domiciliary type support to life skills and daily living support.
- Please note, from 2012-13 the unit cost has been recalculated to exclude spend associated with better homes active lives accommodation as these clients are not included in the client weeks reported in section 2.6.1 above. For comparison the revised March 2012 unit cost would have been £936.81 per client per week. In addition, the budgeted unit cost has been further lowered to reflect the procurement savings in the 2012-15 MTP.

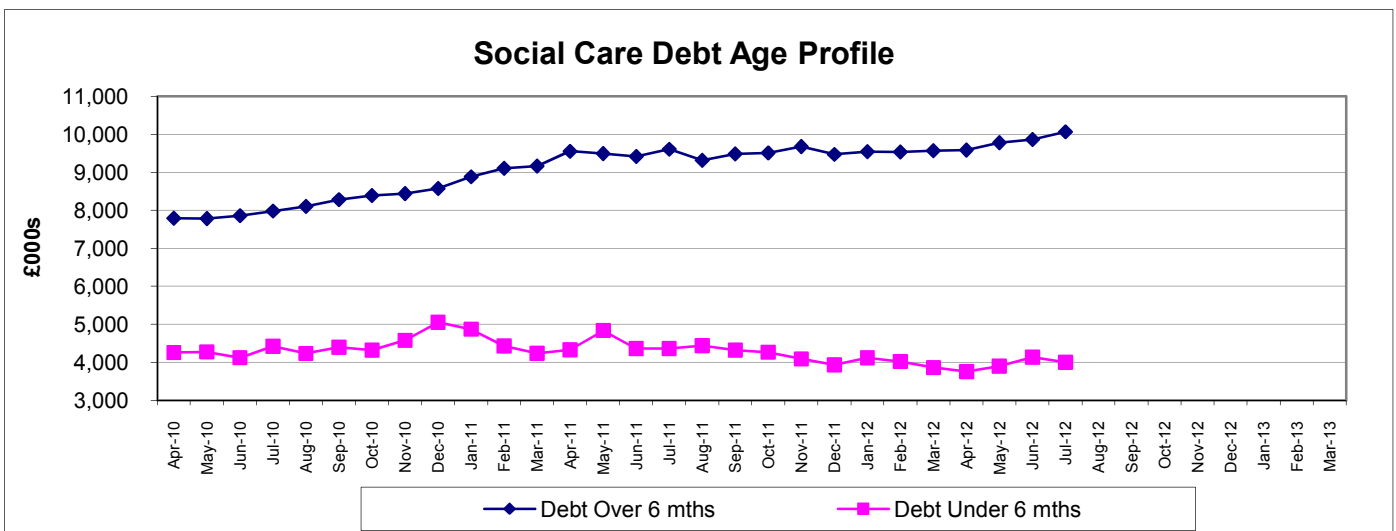
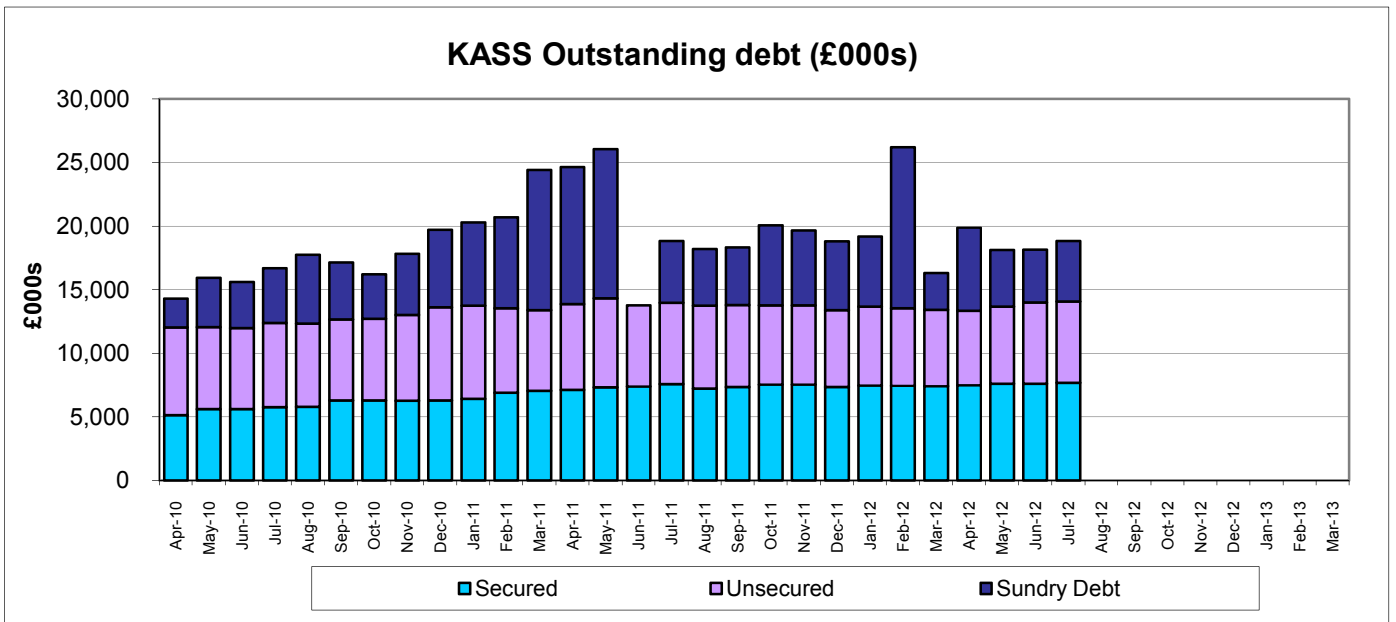
3. SOCIAL CARE DEBT MONITORING

The outstanding debt as at the end of July was £18.816m compared with March's figure of £16.310m (reported to Cabinet in July) excluding any amounts not yet due for payment (as they are still within the 28 day payment term allowed). Within this figure is £4.750m of sundry debt compared to £2.881m in March. The amount of sundry debt can fluctuate for large invoices to health. Also within the outstanding debt is £14.066m relating to Social Care (client) debt which is an increase of £13.429m in March. The following table shows how this breaks down in terms of age and also whether it is secured (i.e. by a legal charge on the client's property) or unsecured, together with how this month compares with previous months. For most months the social care debt figures refer to when the four weekly invoice billing run interfaces with Oracle (the accounting system) rather than the calendar month, as this provides a more meaningful position for Social Care Client Debt. This therefore means that there are 13 billing invoice runs during the year. The sundry debt figures are based on calendar months.

Debt Month	Total Due Debt (Social Care & Sundry Debt) £000s	Sundry Debt £000s	Social Care Debt				
			Total Social Care Due Debt £000s	Debt Over 6 mths £000s	Debt Under 6 mths £000s	Secured £000s	Unsecured £000s
Apr-10	14,294	2,243	12,051	7,794	4,257	5,132	6,919
May-10	15,930	3,873	12,057	7,784	4,273	5,619	6,438
Jun-10	15,600	3,621	11,979	7,858	4,121	5,611	6,368
Jul-10	16,689	4,285	12,404	7,982	4,422	5,752	6,652
Aug-10	17,734	5,400	12,334	8,101	4,233	5,785	6,549
Sep-10	17,128	4,450	12,678	8,284	4,394	6,289	6,389
Oct-10	16,200	3,489	12,711	8,392	4,319	6,290	6,421
Nov-10	17,828	4,813	13,015	8,438	4,577	6,273	6,742
Dec-10	19,694	6,063	13,631	8,577	5,054	6,285	7,346
Jan-11	20,313	6,560	13,753	8,883	4,870	6,410	7,343
Feb-11	20,716	7,179	13,537	9,107	4,430	6,879	6,658
Mar-11	24,413	11,011	13,402	9,168	4,234	7,045	6,357
Apr-11	24,659	10,776	13,883	9,556	4,327	7,124	6,759
May-11	26,069	11,737	14,332	9,496	4,836	7,309	7,023
Jun-11	13,780	*	13,780	9,418	4,362	7,399	6,381
Jul-11	18,829	4,860	13,969	9,608	4,361	7,584	6,385
Aug-11	18,201	4,448	13,753	9,315	4,438	7,222	6,531
Sep-11	18,332	4,527	13,805	9,486	4,319	7,338	6,467
Oct-11	20,078	6,304	13,774	9,510	4,264	7,533	6,241
Nov-11	19,656	5,886	13,770	9,681	4,089	7,555	6,215
Dec-11	18,788	5,380	13,408	9,473	3,935	7,345	6,063
Jan-12	19,180	5,518	13,662	9,545	4,117	7,477	6,185
Feb-12 #	26,218	12,661	13,557	9,536	4,021	7,455	6,102
Mar-12 #	16,310	2,881	13,429	9,567	3,862	7,411	6,018
Apr-12	19,875	6,530	13,345	9,589	3,757	7,500	5,845
May-12	18,128	4,445	13,683	9,782	3,901	7,620	6,063
Jun-12	18,132	4,133	13,999	9,865	4,134	7,630	6,369
Jul-12	18,816	4,750	14,066	10,066	4,000	7,693	6,373
Aug-12	0		0				
Sep-12	0		0				
Oct-12	0		0				
Nov-12	0		0				
Dec-12	0		0				
Jan-13	0		0				
Feb-13	0		0				
Mar-13	0		0				

* It should be noted that the Sundry debt reports were not successful in June 2011, and hence no figure can be reported, the problem was rectified in time for the July report, but reports are unable to be run retrospectively.

The previously reported social care debt figures for February and March 2012 included in error some debt that was not yet due i.e. it was still within the 4 week payment term. These figures have now been revised.



ENTERPRISE & ENVIRONMENT DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits required for the following changes required in respect of the allocation of previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process. This primarily relates to transfers between A-Z lines to reflect the agreed contract with Enterprise. In addition, Highways and Transportation gross and income budgets have been realigned in the light of 2011-12 outturn. These adjustments have had an impact on the gross and income budgets which has reduced them both by £0.605m. Within Environment Management gross and income budgets have reduced by £1.304m reflecting realignment in respect of Kent Downs Area of Outstanding Natural Beauty that was not included in the original budget.

A reduction to gross and income budgets has also been made within Public Transport of £0.915m, which predominantly reflects a revision to the income and costs related to the Freedom pass. Changes to the gross and income budgets within Waste Management and Waste Disposal have also been reflected, as a result of revisions to contract prices affecting both spend and income levels and the use of new waste processing outlets for managing various recycle waste streams, all of which were not known when the budget was set. These amount to an increase of £0.042m in the gross budget and a similar increase in the income budget.

Within the Regeneration and Economic Development portfolio there have been revisions to the Development Staff and Projects budget to reflect changes in the external funding of a number of projects. This has decreased gross by £0.606m and income by £0.568m; the difference of -£0.038m affects the element of this budget that sits within the Business Strategy and Support Directorate hence a corresponding increase is shown within Annex 6 of this report.

There have also been a number of corporate adjustments to cash limit to reflect the allocation of £6m roll forward from 2011-12 as approved by Cabinet in June and a further £0.188m roll forward from 2011-12 as approved by Cabinet on 9 July, together with the transfer of responsibilities between units where the effects of the Council restructure are still being refined. These adjustments total -£0.429m against the gross budget.

Therefore the overall movement in cash limits shown in table 1a below is an increase in the gross expenditure budget of £2.371m (-£0.605m - £1.304m - £0.915m + £0.042m + £6.188m - £0.606m - £0.429m from above) and a reduction in the income budget of £3.350m (+£0.605m + £1.304m + £0.915m - £0.042m + £0.568m from above).

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in June and July and the inclusion of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits

Table 1b shows the latest monitoring position against these revised cash limits.

1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Environment, Highways & Waste portfolio									
E&E Strategic Management & Directorate Support Budgets	8,136	-407	7,729	8,420	-408	8,012	284	-1	283
<u>Environment:</u>									
- Environment Management	5,258	-2,830	2,428	4,142	-1,526	2,616	-1,116	1,304	188
<u>Highways:</u>									
<i>Highways Maintenance:</i>									
- Adverse Weather	3,238		3,238	3,238	0	3,238	0	0	0
- Bridges & Other Structures	2,666	-259	2,407	2,685	-239	2,446	19	20	39
- General maintenance & emergency response	14,392	-486	13,906	13,131	-487	12,644	-1,261	-1	-1,262
- Highway drainage	3,188	-82	3,106	3,244	-82	3,162	56	0	56
- Streetlight maintenance	3,768	-167	3,601	3,974	-167	3,807	206	0	206
	27,252	-994	26,258	26,272	-975	25,297	-980	19	-961
<i>Highways Safety & Management:</i>									
- Development Planning	2,159	-1,283	876	2,135	-1,283	852	-24	0	-24
- Highways Improvements	1,611	-120	1,491	7,718	-50	7,668	6,107	70	6,177
- Road Safety	3,703	-2,720	983	3,264	-2,234	1,030	-439	486	47
- Streetlight energy	5,845		5,845	5,845	0	5,845	0	0	0
- Traffic management	5,589	-2,653	2,936	5,643	-2,622	3,021	54	31	85
- Tree maintenance, grass cutting & weed control	3,360	-170	3,190	3,331	-170	3,161	-29	0	-29
	22,267	-6,946	15,321	27,936	-6,359	21,577	5,669	587	6,256
<u>Planning & Transport Strategy:</u>									
- Planning & Transport Policy	1,253	-15	1,238	1,253	-15	1,238	0	0	0
- Planning Applications	1,129	-550	579	1,129	-550	579	0	0	0
	2,382	-565	1,817	2,382	-565	1,817	0	0	0
<u>Transport Services:</u>									
- Concessionary Fares	16,307	-27	16,280	16,307	-27	16,280	0	0	0
- Freedom Pass	13,648	-2,459	11,189	13,648	-2,459	11,189	0	0	0
- Subsidised Bus Routes	10,030	-2,370	7,660	9,115	-1,454	7,661	-915	916	1
- Transport Planning	464	-218	246	457	-219	238	-7	-1	-8
	40,449	-5,074	35,375	39,527	-4,159	35,368	-922	915	-7
<u>Waste Management</u>									
<i>Recycling & Diversion from Landfill:</i>									
- Household Waste Recycling Centres	8,235	-1,109	7,126	8,620	-1,482	7,138	385	-373	12
- Partnership & Waste Co-ordination	715	-126	589	722	-168	554	7	-42	-35
- Payments to Waste Collection Authorities (DCs)	5,333	-102	5,231	5,473	-102	5,371	140	0	140
- Recycling Contracts & Composting	10,976	-614	10,362	10,516	-601	9,915	-460	13	-447
	25,259	-1,951	23,308	25,331	-2,353	22,978	72	-402	-330
<i>Waste Disposal:</i>									
- Closed Landfill Sites & Abandoned Vehicles	749	-266	483	764	-180	584	15	86	101
- Disposal Contracts	28,853	-430	28,423	29,297	-156	29,141	444	274	718
- Haulage & Transfer Stations	8,686	-75	8,611	8,575	-75	8,500	-111	0	-111
- Landfill Tax	7,543		7,543	7,165	0	7,165	-378	0	-378
	45,831	-771	45,060	45,801	-411	45,390	-30	360	330
Commercial Services		-7,761	-7,761	0	-7,761	-7,761	0	0	0
Total E, H & W portfolio	176,834	-27,299	149,535	179,811	-24,517	155,294	2,977	2,782	5,759
Regeneration & Economic Development portfolio									
Development Staff & Projects	1,277	-1,239	38	671	-671	0	-606	568	-38
Total E&E controllable	178,111	-28,538	149,573	180,482	-25,188	155,294	2,371	3,350	5,721

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment, Highways & Waste portfolio							
E&E Strategic Management & Directorate Support Budgets	8,420	-408	8,012	-284	0	-284	Underspend on pension costs
<u>Environment:</u>							
- Environment Management	4,142	-1,526	2,616	0	0	0	
<u>Highways:</u>							
<u>Highways Maintenance:</u>							
- Adverse Weather	3,238	0	3,238	-4	0	-4	
- Bridges & Other Structures	2,685	-239	2,446	-53	53	0	
- General maintenance & emergency response	13,131	-487	12,644	243	0	243	Dual carriageway maintenance
- Highway drainage	3,244	-82	3,162	0	0	0	
- Streetlight maintenance	3,974	-167	3,807	-7	11	4	
	26,272	-975	25,297	179	64	243	
<u>Highways Safety & Management:</u>							
- Development Planning	2,135	-1,283	852	-44	0	-44	
- Highways Improvements	7,718	-50	7,668	-66	-15	-81	
- Road Safety	3,264	-2,234	1,030	-4	2	-2	
- Streetlight energy	5,845	0	5,845	0	0	0	
- Traffic management	5,643	-2,622	3,021	111	-364	-253	Lane rental scheme development costs; s74 fees and permit scheme
- Tree maintenance, grass cutting & weed control	3,331	-170	3,161	100	0	100	Increased weed control activity
	27,936	-6,359	21,577	97	-377	-280	
<u>Planning & Transport Strategy:</u>							
- Planning & Transport Policy	1,253	-15	1,238	0	0	0	
- Planning Applications	1,129	-550	579	0	0	0	
	2,382	-565	1,817	0	0	0	
<u>Transport Services:</u>							
- Concessionary Fares	16,307	-27	16,280	0	0	0	
- Freedom Pass	13,648	-2,459	11,189	0	0	0	
- Subsidised Bus Routes	9,115	-1,454	7,661	-139	119	-20	Retendering/changing of contracts
- Transport Planning	457	-219	238	1	0	1	
	39,527	-4,159	35,368	-138	119	-19	
<u>Waste Management</u>							
<u>Recycling & Diversion from Landfill:</u>							
- Household Waste Recycling Centres	8,620	-1,482	7,138	-66	-513	-579	Reduced waste tonnage; income from recyclables
- Partnership & Waste Co-ordination	722	-168	554	0	0	0	
- Payments to Waste Collection Authorities (DCs)	5,473	-102	5,371	-350	0	-350	Reduced waste tonnage
- Recycling Contracts & Composting	10,516	-601	9,915	-211	0	-211	Reduced waste tonnage
	25,331	-2,353	22,978	-627	-513	-1,140	
<u>Waste Disposal:</u>							
- Closed Landfill Sites & Abandoned Vehicles	764	-180	584	0	0	0	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
- Disposal Contracts	29,297	-156	29,141	-440	0	-440	Waste tonnage lower than budgeted resulting in less waste processed
- Haulage & Transfer Stations	8,575	-75	8,500	-67	0	-67	Reduced waste tonnage
- Landfill Tax	7,165	0	7,165	-241	0	-241	Reduced waste tonnage
	45,801	-411	45,390	-748	0	-748	
Commercial Services	0	-7,761	-7,761			0	
Total E, H & W portfolio	179,811	-24,517	155,294	-1,521	-707	-2,228	
Regeneration & Economic Development portfolio							
Development Staff & Projects	671	-671	0	0	0	0	
Total E&E controllable	180,482	-25,188	155,294	-1,521	-707	-2,228	
Assumed Management Action							
- EHW portfolio						0	
- R&ED portfolio						0	
Forecast after Mgmt Action				-1,521	-707	-2,228	

1.1.3 Major Reasons for Variance: [provides an explanation of the 'headings' in table 2]

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Environment, Highways & Waste portfolio:

1.1.3.1 E&E Strategic Management & Directorate Support Budgets: Gross -£284k, Income Nil, Net -£284k

Additional budget was allocated in 2012-13 for an anticipated increase in pension costs. However the current forecast suggests that costs will not be as high as expected and an underspend of £227k is forecast on this budget line. There are other minor underspends totalling £57k.

1.1.3.2 **Highways:**

Overall the Highways Division is forecasting a small underspend of £37k but within this position there are some offsetting larger variances. Those over £100k are detailed below:

1.1.3.2.1 **Highways Maintenance**

a. General Maintenance & Emergency Response: Gross +£243k, Income Nil, Net +£243k

The £243k gross pressure on this budget includes a forecast pressure of £232k for dual carriageway maintenance.

1.1.3.2.2 **Highways Safety & Management**

a. Traffic Management: Gross +£111k, Income -£364k, Net -£253k

The gross pressure of £111k includes a £145k pressure for development costs in respect of a new lane rental scheme where companies will pay to rent lanes whilst undertaking work. This is a one-off cost for 2012-13 and the scheme will yield income in future years. The forecast increase in income of -£364k has resulted from a combination of section 74 fees (-£38k) and income from the Permit Scheme (-£326k). Section 74 fees are recovered from works promoters (utility companies etc) who have taken an unreasonably prolonged occupation of the highway and the additional Permit Fee income reflects the recovery of the full costs incurred, including Directorate and Corporate overheads, which are not charged directly to this budget line.

- b. Tree maintenance, grass cutting & weed control: Gross +£100k, Income £0, Net +£100k
The forecast pressure of £100k on this budget reflects the additional activity on weed control that has arisen as a result of the particularly rainy spring and summer months.

1.1.3.3 **Transport Services:**

Subsidised Bus routes: Gross -£139k, Income +£119k, Net -£20k

The gross underspend of £139k and similar corresponding shortfall in income comprises of a number of small variances all under £100k including reduced costs and income due to the re-tendering of local bus services, reduced costs and income following the transfer of services to a voluntary organisation and reduced costs and income due to the number of entitled scholars using the subsidised bus network.

1.1.3.4 **Waste Management:**

The waste tonnage for the first four months of 2012-13 is 6,338 tonnes under the affordable level to the end of July. This indicates that waste tonnage will again be below the affordable level for the year and an estimated overall tonnage of 715,000 tonnes is predicted, which is 15,000 tonnes below the affordable level. This contributes to an overall forecast underspend on the waste budgets of £1.888m. The levels of waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. Details of activity are shown in section 2.4 of this annex.

1.1.3.4.1 **Recycling & Diversion from Landfill**

- a. Household Waste Recycling Centres: Gross -£66k, Income -£513k, Net -£579k
The reduced tonnage has resulted in a small underspend of -£66k on gross expenditure, however there is a significant over-recovery in income of £513k. The new contract for textiles agreed last December, is generating an additional £313k, and income on lead acid batteries is adding a further £120k. There are also small over-recoveries in income from glass, paper and card, and metal. However there is some concern that the prices paid for recycled metals may begin to reduce and the impact on the income forecast will need to be re-assessed in future monitoring reports.
- b. Payments to Waste Collection Authorities (District Councils): Gross -£350k, Income Nil, Net -£350k
A gross underspend of £350k is forecast due to the amount of recycled waste being approximately 5,500 tonnes below budget, which has reduced the amount paid to District Councils.
- c. Recycling Contracts & Composting: Gross -£211k, Income Nil, Net -£211k
The tonnage for recycling and composting is approximately 4,600 tonnes under budget, and this is anticipated to deliver an underspend of £211k in this financial year.

1.1.3.4.2 **Waste Disposal**

- a. Disposal Contracts: Gross -£440k, Income Nil, Net -£440k
A gross underspend of £440k is forecast for this budget due to reduced residual waste tonnage. Overall the final tonnage figure is expected to be 4,900 tonnes under the affordable level.
- b. Landfill Tax: Gross -£241k, Income Nil, Net -£241k
The reduced level of waste sent for landfill referred to above generates a forecast underspend of £241k.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
EHW	Highways:General maintenance and emergency response - dual carriageway maintenance	+232	EHW	Disposal Contracts - reduced level of residual waste being processed	-440
EHW	Highways:Traffic Management - Lane rental scheme development costs	+145	EHW	Payments to Waste Collection Authorities (District Councils) - reduced tonnage	-350
EHW	Highways:Tree Maintenance, grass cutting and weed control - Additional weed control activity	+100	EHW	Highways:Traffic Management - Permit Scheme income	-326
			EHW	Household Waste Recycling Centres - additional income from textiles contract	-313
			EHW	Landfill Tax - level of waste below affordable level	-241
			EHW	Strategic Management & Directorate support budgets - pensions	-227
			EHW	Recycling Contracts and Composting - reduced level of waste	-211
			EHW	Household Waste Recycling Centres - income from lead acid batteries	-120
		+477			-2,228

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

The waste tonnage will continue to be carefully reviewed as part of the regular monitoring process to Cabinet. If future monitoring continues to support the forecast level of 715,000 then potentially further savings could be reflected in the MTFP.

1.1.6 Details of re-phasing of revenue projects:

None

1.1.7 Details of proposals for residual variance: [eg roll forward proposals; mgmt action outstanding]

None

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Enterprise & Environment Directorate has an approved budget for 2012-15 of £174.000m (see table 1 below). The forecast outturn against this budget is £177.291m, giving a variance of £3.291m. After adjustments for funded variances and reductions in funding, the revised variance comes to -£3.817m (see table 3).

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	173.654	
Approvals made since last reported to Cabinet	0.346	
Revised approved budget	174.000	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

Scheme	Portfolio	Amount £m	Reason
Integrated Transport Schemes	E,H&W	0.130	Additional grant
Integrated Transport Schemes	E,H&W	0.118	Additional developer contributions
Integrated Transport Schemes	E,H&W	0.287	Additional external funding
Coldharbour Gypsy Site	E,H&W	0.240	Additional external funding
Sittingbourne Northern Relief Rd	E,H&W	0.037	Additional developer contributions
Energy Water Investment Fund *	E,H&W	0.296	Fully funded by repayments within the scheme
Total		1.108	

* Cabinet are asked to note that the apparent overspend on this project is fully funded from payments within the Scheme, however, cash limits will not be changed.

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	1.203
Funded variance (from table 2)	1.108
Variance funded from revenue *	6.000
Underspend	-0.900
Rephasing (beyond 2012-15)	-4.120
Total variance	3.291

* Reported to Cabinet 11 June 2012

Main reasons for variance

1.2.7 Table 4 below details each scheme, indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.8 Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
Major Scheme- Preliminary Design Fees	0.905	0.005	0.900	0.000	0.900	0.000	0.000	0.000	
Highway Major Maintenance	181.794	31.971	90.157	59.666	96.157	59.666	6.000	6.000	
Member Highway Fund	8.797	1.899	6.898	0.000	6.880	0.000	-0.018	-0.018	
Integrated Transport Scheme	20.517	3.745	10.656	6.116	11.191	6.116	0.535	0.535	
A2 slip Road	1.655	1.599	0.056	0.000	0.056	0.000	0.000	0.000	
Commercial Services Vehicle Plant & Equipment	6.231	1.131	3.800	1.300	3.800	1.300	0.000	0.000	
Non TSG Land ,Compensation Claims and Blight	3.822	0.855	2.967	0.000	2.967	0.000	0.000	0.000	
Energy & Water Investment Funds-External	0.502	0.387	0.115	0.000	0.788	0.000	0.673	0.673	
Energy and Water Efficiency Investment	2.046	1.230	0.736	0.080	0.359	0.012	-0.377	-0.445	
Archaeological Resource Centre	0.900	0.000	0.900	0.000	0.000	0.000	-0.900	-0.900	* see 1.9
Coldharbour Gypsy site	1.621	0.314	1.307	0.000	1.547	0.000	0.240	0.240	
Sandwich Sea Defences	3.640	0.000	3.640	0.000	3.640	0.000	0.000	0.000	
Hernebay Site Improvement	1.595	0.306	1.289	0.000	1.289	0.000	0.000	0.000	
East Kent Waste Facilities	4.597	3.021	1.576	0.000	1.576	0.000	0.000	0.000	
East Kent Waste Facilities-Ashford TS	0.750	0.287	0.463	0.000	0.463	0.000	0.000	0.000	
LTP- A228 Leybourne and West Malling Imp	28.579	28.560	0.019	0.000	0.019	0.000	0.000	0.000	
Ashford Ring Road	15.554	15.457	0.097	0.000	0.097	0.000	0.000	0.000	
Sittingbourne Northern Relief Road	31.668	28.356	3.312	0.000	3.245	0.104	-0.067	0.037	rephasing
East Kent Access PH2	87.001	81.317	5.684	0.000	2.508	3.176	-3.176	0.000	rephasing
Rushenden Link Road	11.467	10.654	0.813	0.000	0.813	0.000	0.000	0.000	
Re-shaping Kent Highways Accommodation	22.074	21.929	0.145	0.000	0.145	0.000	0.000	0.000	
A2 Cyclo Park	8.583	7.569	1.014	0.000	1.032	0.000	0.018	0.018	
Victoria Way Ph 1	18.551	17.842	0.709	0.000	0.709	0.000	0.000	0.000	
Ashford-Drover's Roundabout junct.	20.543	20.393	0.150	0.000	1.353	0.000	1.203	1.203	overspend
Swale Transfer Station	3.630	0.000	3.630	0.000	3.630	0.000	0.000	0.000	
Ashford Transfer Station	4.250	0.000	4.250	0.000	4.250	0.000	0.000	0.000	

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)=(b+e+f)-a	
HWRC-Ton & Malling	2.300	0.000	2.300	0.000	0.500	1.800	-1.800	0.000	rephasing
HWRC-West Kent	2.600	0.000	0.000	2.600	0.000	2.600	0.000	0.000	
Mid Kent Joint Waste Project	4.440	0.000	4.440	0.000	4.440	0.000	0.000	0.000	
Growth without Gridlock	10.000	0.000	10.000	0.000	10.000	0.000	0.000	0.000	
Kent Thameside Strategic Transport Programme	145.331	0.670	9.071	135.590	10.032	134.629	0.961	0.000	rephasing
Street Lighting Timing	2.906	0.000	2.906	0.000	2.906	0.000	0.000	0.000	
Orchard Way Railway Bridge	15.000	0.000	0.000	15.000	0.000	15.000	0.000	0.000	
A28 Chart Road	15.000	0.000	0.000	15.000	0.000	15.000	0.000	0.000	
A228 Colts Hill Strategic Link	25.000	0.000	0.000	25.000	0.000	25.000	0.000	0.000	
South East Maidstone Strategic Route	35.000	0.000	0.000	35.000	0.000	35.000	0.000	0.000	
TOTAL	658.849	279.497	174.000	205.352	177.291	209.403	3.291	7.342	

1.2.9 Status:

Green – Projects on time and budget

Amber – Projects either delayed or over budget

Red – Projects both delayed and over budget

1.2.10 Assignment of Green/Amber/Red Status

1.2.11 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.

1.2.12 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.13 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan

Amber and Red Projects – variances to cost/delivery date and why.

- Sittingbourne Northern Relief Road: (Re-phased to later years)
- 1.2.14 Construction of the Relief Road was completed in December 2011. Landscaping, operational and remedial works are to be completed during this financial year. The remainder of the forecast spend relates to Land Compensation Act Part 1 claims. This expenditure has been re-phased because of the inherent uncertainty in the timing and settlement of claims. Claims can be made at anytime up to 7 years after scheme opening although most are received within the first 2 years. Progress on settling claims is dependent on the attitude of claimants' agents and past experience has shown that full closure of all claims can take several years.
- East Kent Access Road Phase 2: (Re-phased to later years)
- 1.2.15 Construction of the scheme was completed in May 2012. Good progress is being made on the commercial aspects and it is expected that the final contract cost will be agreed in this financial year. Initial traffic management works on bypassed roads are underway and it is expected that full completion of such measures will also be completed during this financial year. However, it is likely that settlement of Land Compensation Act Part 1 claims will take longer than originally envisaged and so this expenditure has been re-phased.
- Drovers Roundabout-M20 /J9 (+£1.203m)
- 1.2.16 Construction of the scheme was completed in October 2011 with the opening of the feature bridge over the M20. Several significant claims remain to be agreed with the contractor. The forecast overspend of £1.203m is based on the current estimated cost of the final settlement and is expected to be funded by additional grant..
- HWRC – Tonbridge & Malling (re-phased to later years)
- 1.2.17 This project is in the early planning stages and is now expected to be completed in future years.
- Kent Thameside Strategic Transport Programme (re-phasing brought forward into 12-15)
- 1.2.18 Some projects within the programme have been accelerated and funding for these has been brought forward from future years.

Key issues and Risks

- Archaeological Resource Centre (ARC): (-£0.900m; project not going ahead)
- 1.2.19 The funding of £0.900m identified in the capital programme was KCC's contribution to English Heritage towards the construction of an ARC in Kent. Overall the project did not have sufficient funding and so KCC attempted to secure Heritage Lottery Fund (HLF) to help meet the shortfall.
- 1.2.20 The bid was submitted in autumn 2011 and HLF has now turned down the application due to the high cost. As this project will not be going ahead at the present time it is proposed to remove it from the capital programme.
- Drovers Roundabout - M20J9 and Victoria Way.
- 1.2.21 On both schemes the contractors have submitted significant claims although they are of more significance and quantum for Drovers Roundabout - M20 J9. The assessment and negotiation of the claims is complex but good progress is being made.

- Kent Thameside Strategic Transport Programme

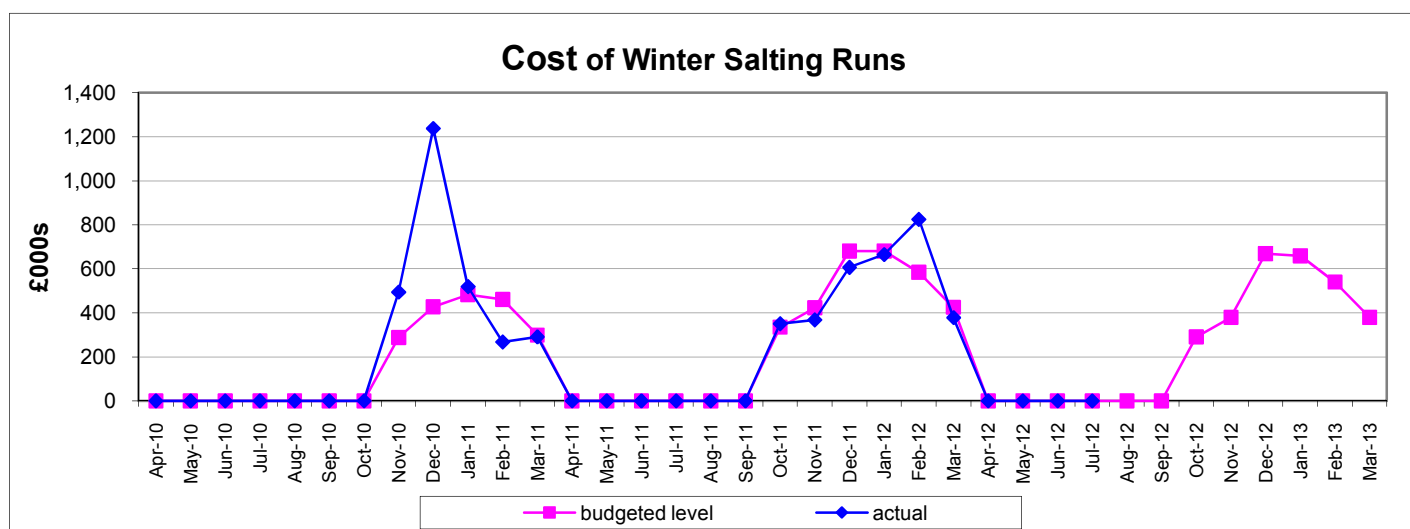
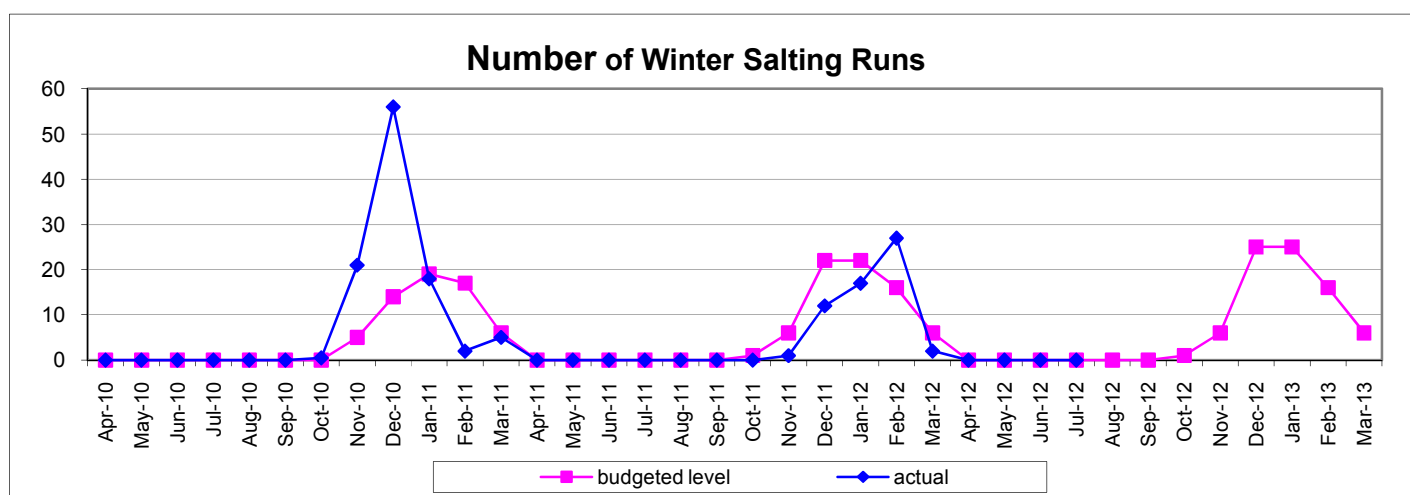
1.2.22 This Strategic Transport Programme is a package of schemes to improve the transport infrastructure in Dartford and Gravesham to be implemented over the next 15-20 years. Funding of the programme is a combination of grant and developer contributions. There are inherent risks with the delivery of the programme over such a long period with one of the key issues being the uncertainty over future funding.

1.2.23 At present the delivery of the programme is being managed within the level of funding available. This will continue whilst further funding is secured from either development, through agreement or the adoption of CIL, on-going discussion with Government regarding further public sector funding or identifying alternative sources of funding.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Number and Cost of winter salting runs:

	2010-11				2011-12				2012-13			
	Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs		Number of salting runs		Cost of salting runs	
	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted Level	Actual £000s	Budgeted Level £000s	Actual	Budgeted level	Actual £000s	Budgeted Level £000s
April	-	-	-	-	-	-	-	-	-	-	-	-
May	-	-	-	-	-	-	-	-	-	-	-	-
June	-	-	-	-	-	-	-	-	-	-	-	-
July	-	-	-	-	-	-	-	-	-	-	-	-
August	-	-	-	-	-	-	-	-	-	-	-	-
September	-	-	-	-	-	-	-	-	-	-	-	-
October	0.5	-	6	-	0	1	351	335	1	-	291	-
November	21	5	494	288	1	6	368	423	6	-	379	-
December	56	14	1,238	427	12	22	607	682	25	-	670	-
January	18	19	519	482	17	22	665	682	25	-	660	-
February	2	17	268	461	27	16	825	584	16	-	540	-
March	5	6	291	299	2	6	378	425	6	-	379	-
TOTAL	102.5	61	2,816	1,957	59	73	3,194	3,131	-	79	-	2,919

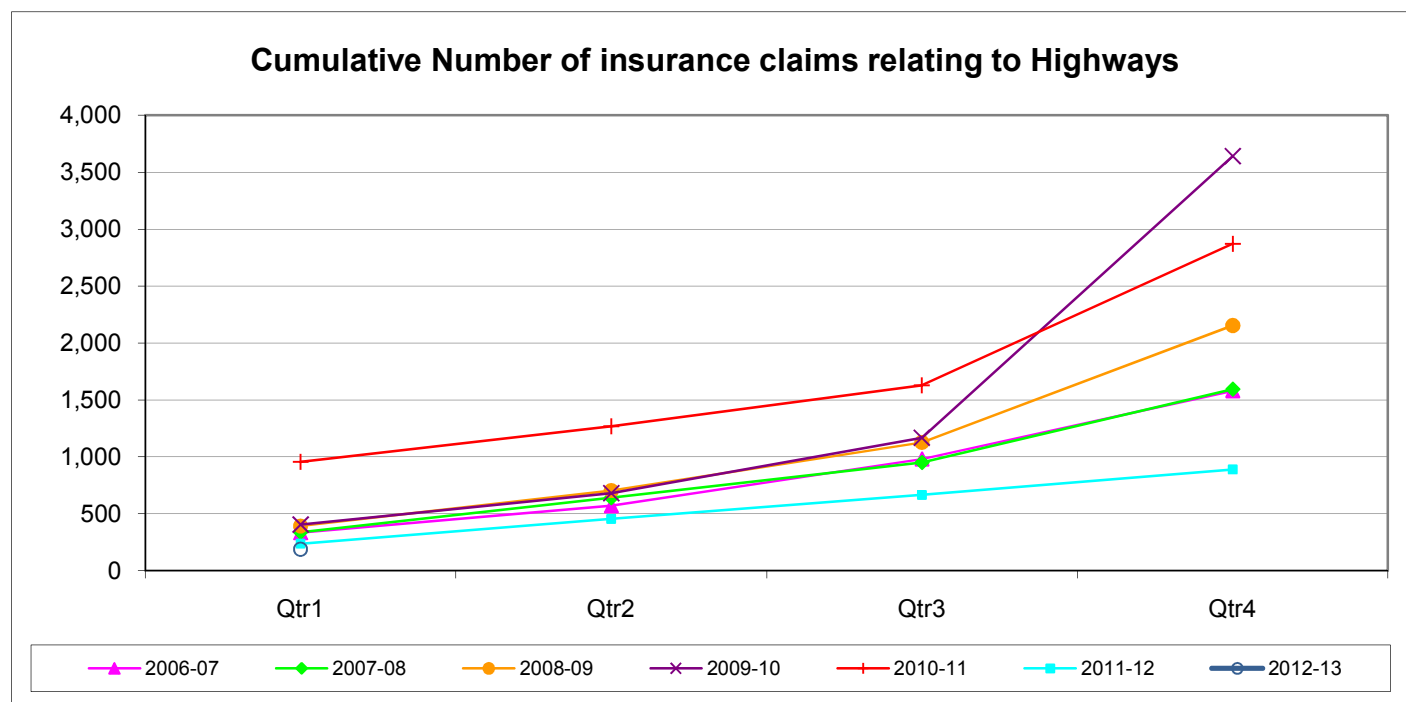


Comment:

- Under the old Ringway contract, local and specific overheads, plus depot charges were budgeted for and dealt with separately, these costs were therefore not included in the winter service expenditure figures, whereas the new Enterprise contract is an all inclusive price so these costs are now included in the graph, hence the apparent increase in the budgeted cost in 2011-12 and 2012-13 compared to previous years.
- Although the budgeted number of salting runs is higher in 2012-13 than in 2011-12, the budgeted cost is lower because 2011-12 was a transition year due to the change in contractor from Ringway to Enterprise and in 2012-13 the full year efficiency savings will be realised, hence the reduction in the budgeted costs.
- It had been anticipated that the generally mild winter in 2011-12 would mean that the number and cost of salting runs would be below budget. However, the snow emergency in February 2012 required emergency salting runs, which were more expensive than the routine salting runs due to a higher rate of spread of salt than originally budgeted. Also, additional costs were incurred as part of the new Winter Policy introduced for 2011-12, as smaller vehicles needed to be leased in order to service parts of the routes that were inaccessible to the larger vehicles (approx £140k) and some of the salting routes were extended in order to meet local needs. This resulted in outturn expenditure of £3.194m against a budget of £3.131m, despite the number of salting runs being below the budgeted level.

2.2 Number of insurance claims arising related to Highways:

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims	Cumulative no. of claims
April-June	335	337	393	407	957	237	189
July-Sept	570	640	704	679	1,270	457	
Oct-Dec	982	950	1,128	1,168	1,631	674	
Jan- Mar	1,581	1,595	2,155	3,642	2,877	936	

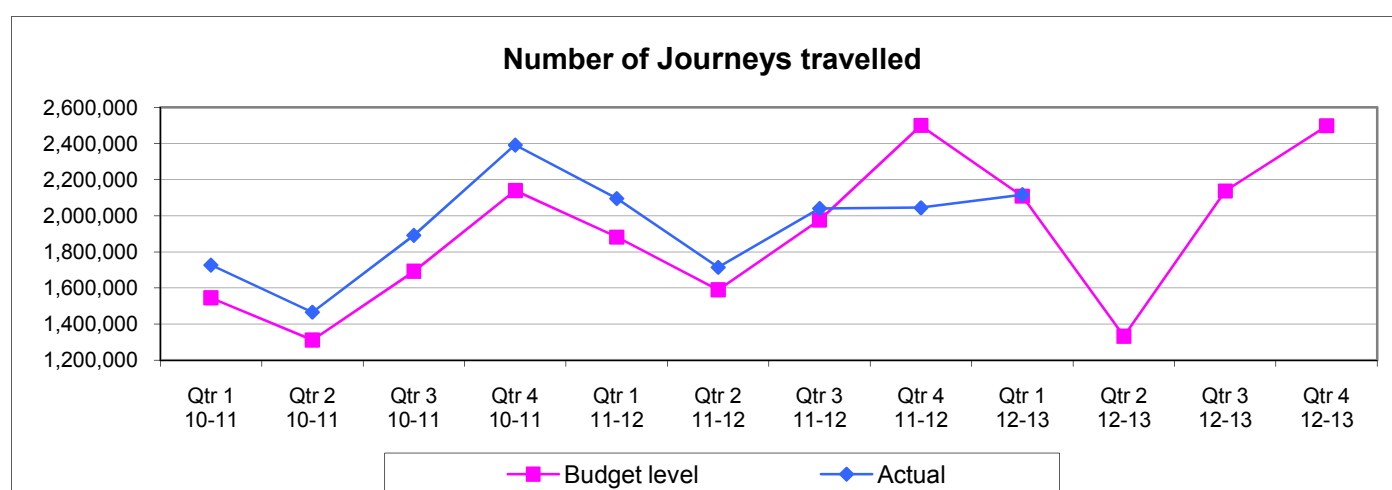
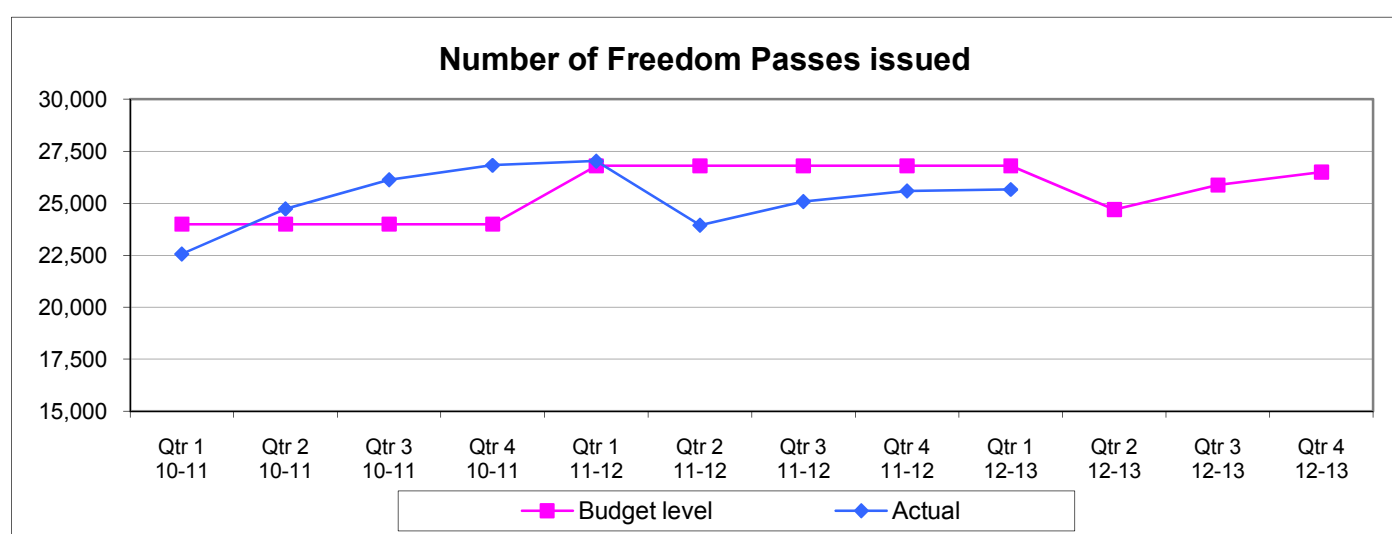


Comments:

- Numbers of claims will continually change as new claims are received relating to incidents occurring in previous quarters. Claimants have 3 years to pursue an injury claim and 6 years for damage claims. The data previously reported has been updated to reflect claims logged with Insurance as at 30 June 2012.
- Claims were high in the three years from 2008-09 to 2010-11 largely due to the particularly adverse weather conditions and the consequent damage to the highway along with some possible effect from the economic downturn. These claim numbers are likely to increase further as more claims are received for incidents which occurred during the period of the bad weather.
- Claims were lower in 2011-12 than in recent years. This could be due to many factors including: an improved state of the highway following the find and fix programmes of repair, an increased rejection rate on claims, and a mild winter. Also, it is likely that these claim numbers will increase as new claims are received relating to incidents occurring in previous years as explained in the first bullet point above.
- The Insurance section continues to work closely with Highways to try to reduce the number of claims and currently the Authority is managing to achieve a rejection rate on 2012-13 claims where it is considered that we do not have any liability, of about 87%.

2.3 Freedom Pass - Number of Passes issued and Journeys travelled:

	2010-11				2011-12				2012-13			
	Passes		Journeys travelled		Passes		Journeys travelled		Passes		Journeys travelled	
	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual	Budget level	actual
Qtr 1 April - June	24,000	22,565	1,544,389	1,726,884	26,800	27,031	1,882,098	2,095,980	26,800	25,668	2,108,385	2,116,536
Qtr 2 July - Sept	24,000	24,736	1,310,776	1,465,666	26,800	23,952	1,588,616	1,714,315	24,703		1,332,935	
Qtr 3 Oct - Dec	24,000	26,136	1,691,828	1,891,746	26,800	25,092	1,976,884	2,040,713	25,877		2,136,769	
Qtr 4 Jan - Mar	24,000	26,836	2,139,053	2,391,818	26,800	25,593	2,499,462	2,045,000	26,500		2,497,561	
			6,686,046	7,476,114			7,947,060	7,896,008			8,075,650	2,116,536



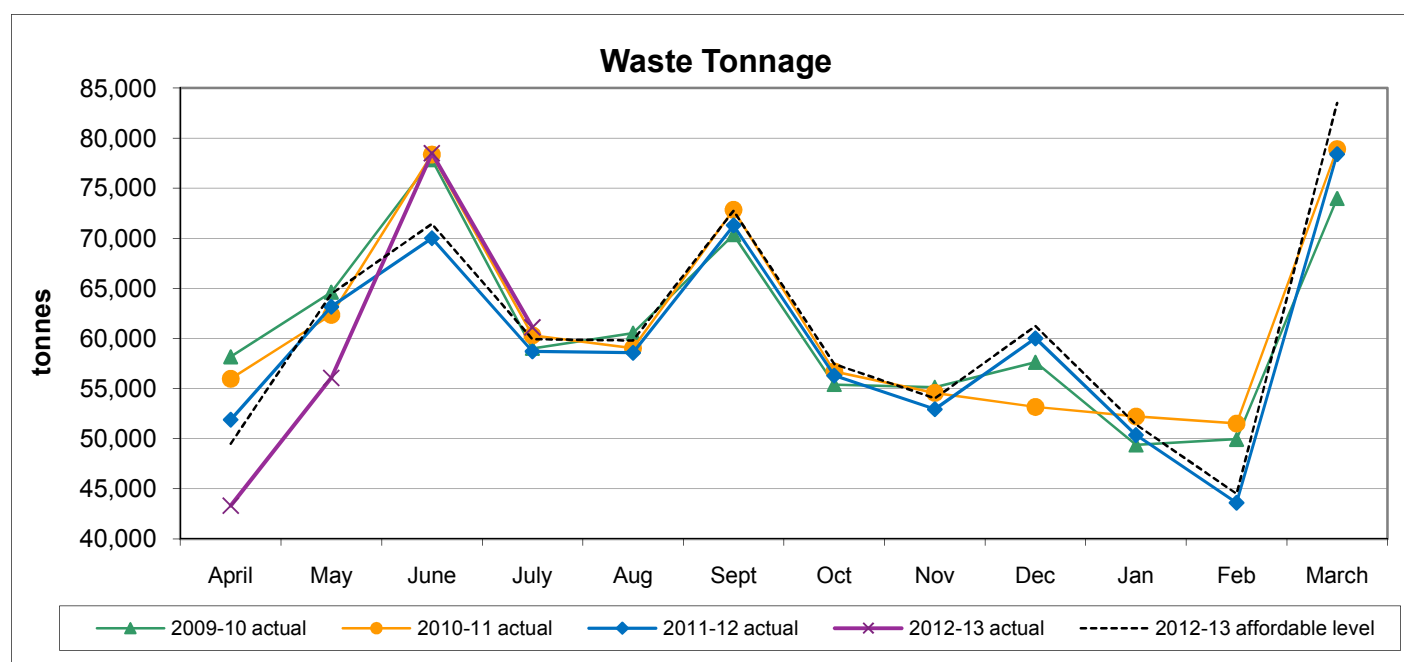
Comments:

- As predicted the number of Kent Freedom Passes has fallen slightly since the fee increase in 2011-12, but those who possess a pass are frequent/heavy users of the scheme. Applications are now being received for the new school year and this data will be used to review future expenditure against budget for the next quarterly review.
- The above figures do not include journeys travelled relating to home to school transport as these costs are met from the Education, Learning & Skills portfolio budget and not from the Kent Freedom Pass budget.

2.4 Waste Tonnage:

	2009-10	2010-11	2011-12	2012-13	
	Waste Tonnage	Waste Tonnage	Waste Tonnage	Waste Tonnage *	Affordable Level
April	58,164	55,975	51,901	43,301	49,499
May	64,618	62,354	63,168	56,082	64,467
June	77,842	78,375	70,006	78,496	71,446
July	59,012	60,310	58,711	61,114	59,919
August	60,522	59,042	58,581		59,787
September	70,367	72,831	71,296		72,763
October	55,401	56,690	56,296		57,454
November	55,138	54,576	52,942		54,031
December	57,615	53,151	60,009		61,244
January	49,368	52,211	50,366		51,403
February	49,930	51,517	43,607		44,504
March	73,959	78,902	79,469		83,483
TOTAL	731,936	735,934	716,351	238,993	730,000

* Note: waste tonnages are subject to slight variations between quarterly reports as figures are refined and confirmed with Districts



Comments:

- The March 2012 actual figure has been adjusted to take account of revised data received from districts.
- It has been necessary to revise the affordable tonnage levels for April and March to reflect the actual number of days in each accounting period. Historically contracts with service providers have been on the basis of a four/four/five week cycle of accounting periods (with weeks ending on a Sunday), rather than on calendar months, and reported waste tonnages have reflected this. It is expected that by April 2013 all service providers will have transferred to a calendar month basis.
- These waste tonnage figures include waste processed either through Allington Waste to Energy plant or landfill, recycled waste and composting.
- To date, the cumulative tonnage activity for the first four months is approximately 6,338 tonnes less than the affordable level for the same period, and this reduction is reflected in the current forecast in section 1.1.3.4 of this annex which assumes waste volumes will be approximately 15,000 tonnes below budget by year end.
- Although it is too early to say whether this reduced level of tonnage will continue throughout the year, waste tonnages will continue to be carefully reviewed as part of the regular monitoring process to Cabinet.

CUSTOMER & COMMUNITIES DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits for the A-Z service analysis have been adjusted since the budget was set to reflect the addition of £1m of roll forward from 2011-12 relating to Big Society as approved by Cabinet on 14 May 2012, and a further £0.576m of roll forward from 2011-12 as approved by Cabinet on 9 July 2012, together with a number of other technical adjustments to budget.
- The inclusion of a number of 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Customer & Communities portfolio							
C&C Strategic Management & Directorate Support Budgets	9,832	-3,976	5,856	0	0	0	
<u>Other Services for Adults & Older People:</u>							
- Drug & Alcohol Services	15,987	-14,609	1,378	0	0	0	
- Supporting People	25,609	0	25,609	-15	0	-15	
	41,596	-14,609	26,987	-15	0	-15	
<u>Children's Services</u>							
<u>Education & Personal:</u>							
- Youth Service	9,315	-2,686	6,629	0	0	0	
- Youth Offending Service	5,581	-2,409	3,172	0	0	0	
	14,896	-5,095	9,801	0	0	0	
<u>Community Services:</u>							
- Archive Service (incl Museum Development)	1,329	-329	1,000	0	0	0	
- Arts Development (incl Turner Contemporary)	1,643	0	1,643	-2	-1	-3	
- Big Society	1,000	0	1,000	0	0	0	
- Community Learning Services	16,412	-16,765	-353	0	0	0	
- Community Safety	1,204	-226	978	-15	1	-14	
- Community Wardens	2,896	0	2,896	-137	0	-137	Reduced costs from vacancy management
- Contact Centre & Consumer Direct	6,713	-2,421	4,292	-438	438	0	Consumer Direct: reduction in income & staffing costs due to reduced call volumes
- Gateways	3,071	-1,037	2,034	-177	12	-165	Re-phasing of Gateway programme/opening dates
- Library Services	15,467	-1,844	13,623	0	0	0	
- Sports Development	2,358	-1,373	985	0	0	0	
- Supporting Independence & Supported Employment	1,372	-484	888	-62	62	0	KSE - Reduced staff costs. Loss of income from reduced number of referrals from Job Centre Plus
	53,465	-24,479	28,986	-831	512	-319	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Environment:							
- Country Parks	1,591	-948	643	0	40	40	Reduced income due to wet weather
- Countryside Access (incl PROW)	2,906	-1,023	1,883	0	0	0	
	4,497	-1,971	2,526	0	40	40	
Local Democracy:							
- Community Engagement	720	0	720	0	0	0	
- Member Grants	1,266	0	1,266	0	0	0	
	1,986	0	1,986	0	0	0	
Regulatory Services:							
- Coroners	2,987	-475	2,512	-14		-14	
- Emergency Planning	860	-199	661	-36	-8	-44	Reduced costs from vacancy management
- Registration	2,751	-3,135	-384	0	0	0	
- Trading Standards	4,003	-735	3,268	-197	87	-110	Reduced costs from vacancy management
	10,601	-4,544	6,057	-247	79	-168	
Total controllable	136,873	-54,674	82,199	-1,093	631	-462	
Assumed Management Action						0	
Forecast after Mgmt Action				-1,093	631	-462	

1.1.3 Major Reasons for Variance:

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Customer & Communities portfolio:

1.1.3.1 **Community Services:**

a. **Community Wardens: Gross -£137k, Income nil, Net -£137k**

There are currently a number of vacancies within the service, including six wardens, a management post and an administration officer. These vacancies account for the current forecast gross underspend of -£137k. The budget has a built in vacancy management target as otherwise the projected underspend would be in excess of this.

b. **Contact Centre & Consumer Direct: Gross -£438k, Income +£438k, Net Nil**

There is a -£412k underspend for Consumer Direct, which relates to reduced staff numbers in line with a reduction in call volumes, together with Contact Centre minor underspends of -£26k.

The reduction in Consumer Direct call volumes has impacted upon their income, with a forecast shortfall of £438k as income is calculated on a price per call basis.

c. **Gateways: Gross -£177k, Income +£12k, Net -£165k**

The main contributor to the underspend is the re-phasing and change in specification of two multi agency Gateways. Swanley and Herne Bay Gateways are not now expected to open until 2013-14, with Herne Bay on a reduced scale from original plans. This has resulted in a one off underspend of -£139k as there will be no running costs in this financial year. There are other minor underspends of -£26k

1.1.3.2 Regulatory Services:

a. Trading Standards (Including Kent Scientific Services) : Gross -£197k, Income +£87k, Net -£110k

The combined service has achieved gross savings of -£197k as there are a number of vacant posts within both Trading Standards and Kent Scientific Services.

The income variance relates almost entirely to Kent Scientific Services with reduced income forecast from external customers.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
C&C	Consumer Direct: Reduction in income linked to lower call volumes	+438	C&C	Consumer Direct: Reduced staff numbers in line with reduced call volumes	-412
			C&C	Trading Standards & KSS: Staff Vacancies	-197
			C&C	Gateways: rephasing of Gateway programme/ opening dates of Herne Bay & Swanley	-139
			C&C	Community Wardens: Staff vacancies	-137
		+438			-885

1.1.4 **Actions required to achieve this position:**

None

1.1.5 **Implications for MTFP:**

Revisions to Gross and Income levels will need to be considered in the 2013-14 budget build process if the reduction in call volumes continues within Consumer Direct.

1.1.6 **Details of re-phasing of revenue projects:**

None

1.1.7 **Details of proposals for residual variance:**

None

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Customer and Communities portfolio has an approved budget of £13.245m (see table 1 below). The forecast outturn against this budget is £13.564m, giving a variance of +£0.319m. After adjustments for funded variances and reductions in funding, the revised variance comes to nil (see table 3).

1.2.3 Tables 1 to 3 summaries the portfolio's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	£m	
Approved budget last reported to Cabinet	18.815	
Approvals made since last reported to Cabinet	-5.570	Includes £5.962m for modernisation of assets moved to BSS Directorate
Revised approved budget	13.245	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

Scheme	Portfolio	Amount £m	Reason
Public Rights of Way	C&C	0.070	Additional grant
Public Rights of Way	C&C	0.120	Additional external funding
Public Rights of Way	C&C	0.035	Additional developer contributions
Tunbridge Wells Library	C&C	0.025	Additional external funding
Community Facilities - Edenbridge	C&C	0.006	Additional capital receipt, external funding
Total		0.256	

1.2.6 Table 3 – Summary of Variance

	Amount £m
Unfunded variance	0.000
Funded variance (from table 2)	0.256
Variance to be funded from revenue	0.063
Rephasing (beyond 2012-15)	0.000
Total variance	0.319

Main reasons for variance

1.2.7 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.8 Table 4 - Scheme Progress									
Scheme Name	Total Cost £m	Previous Spend £m	2012-15 Approved Budget £m	Later Years Approved Budget £m	2012-15 Forecast Spend £m	Later Years Forecast Spend £m	2012-15 Variance £m	Total Project Variance £m	Status Red / Green / Amber
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	(h)= (b+e+f-a)	
Rolling Programme									
Public Rights of Way - Structural Maintenance	3.076	0.929	2.147	0.000	2.435	0.000	0.288	0.288	
Country Park Access & Development	1.464	0.954	0.510	0.000	0.510	0.000	0.000	0.000	
Small Community Projects	3.004	0.494	1.510	1.000	1.510	1.000	0.000	0.000	
Library Modernisation Programme	3.259	0.441	1.898	0.920	1.898	0.920	0.000	0.000	
Modernisation of Assets	2.22	1.493	0.457	0.270	0.457	0.270	0.000	0.000	
Public Sports Facilities Improvement - Capital Grants	0.6	0.100	0.300	0.200	0.300	0.200	0.000	0.000	
Village Halls & Community Centres - Capital Grants	1.278	0.167	0.711	0.400	0.711	0.400	0.000	0.000	
Individual Projects									
The Beaney, Canterbury	3.620	3.365	0.255	0.000	0.255	0.000	0.000	0.000	
Turner Contemporary	17.400	17.400	0.000	0.000	0.000	0.000	0.000	0.000	
Gateways	7.202	4.824	2.378	0.000	2.378	0.000	0.000	0.000	
Ashford Gateway Plus	7.606	7.539	0.067	0.000	0.067	0.000	0.000	0.000	
Grant to Cobtree Trust	0.100	0.043	0.057	0.000	0.057	0.000	0.000	0.000	
Tunbridge Wells Library	0.444	0.028	0.416	0.000	0.441	0.000	0.025	0.025	
Kent History & Library Centre	10.981	10.625	0.356	0.000	0.356	0.000	0.000	0.000	
Gravesend Library	2.500	2.404	0.096	0.000	0.096	0.000	0.000	0.000	
Libraries Invest to Save	1.730	1.528	0.202	0.000	0.202	0.000	0.000	0.000	
New Community Facilities at Edenbridge	1.003	0.337	0.666	0.000	0.672	0.000	0.006	0.006	
Web Platform	1.139	0.810	0.329	0.000	0.329	0.000	0.000	0.000	
Youth Service Reconfiguration	0.156	0.098	0.058	0.000	0.058	0.000	0.000	0.000	
CLS service re-provision	0.482	0.000	0.482	0.000	0.482	0.000	0.000	0.000	
New Library & Community Centre Cheeseman's Green	0.350	0.000	0.350	0.000	0.350	0.000	0.000	0.000	
TOTAL CUSTOMER & COMMUNITIES	69.614	53.579	13.245	2.790	13.564	2.790	0.319	0.319	

- 1.2.9 **Status:**
 Green – Projects on time and budget
 Amber – Projects either delayed or over budget
 Red – Projects both delayed and over budget

1.2.10 Assignment of Green/Amber/Red Status

- 1.2.11 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.
- 1.2.12 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.
- 1.2.13 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

Edenbridge Community Centre

- 1.2.14 The contractor has submitted an extension of time request in relation to the construction of the Edenbridge Centre and the associated housing development. This has had the impact of a delay to the opening of the centre from October 2012 to January 2013. The fixed price Design and Build contract means that there are no financial risks to KCC but as the estimated completion date has been elongated, an AMBER status has been applied.

Key issues and Risks

- 1.2.15 **Public Rights of Way** - The Countryside Access Programme includes a number of surfacing schemes which can involve access across difficult terrain or along unsurfaced rights of way. Some of the access can be weather dependent with landowners refusing access in poor weather conditions hence there is a potential risk that projects are not completed as scheduled.
- 1.2.16 **Library Modernisation** – Within the cash limit funds have been set aside for the Library element of the Herne Bay and Swanley Gateways, therefore this budget is intrinsically linked to that programme (see below).
- 1.2.17 **The Beaney** – Unfortunately, the Viridor bid for £133k external funding was unsuccessful and we are now looking into an alternative solution to bridge this gap in funding. There is also the risk that there will be additional costs outside of the fixed price contract but these will be reported throughout future monitoring reports.
- 1.2.18 **Gateways** – The Gateway programme was to be delivered over a number of years and anticipated opening dates were scheduled. However, due to the number of agencies involved, differing funding requirements and planning approval processes, there is an inherent risk around timing, funding and future delivery. Business cases are presented for each gateway where these considerations will be updated as part of future monitoring reports.
- 1.2.19 **Ramsgate Library** – The refurbishment is almost complete and there is a small risk that the residual budget is insufficient to meet the costs of the final snagging works. Conversely, if a surplus is delivered then this may need to be returned.
- 1.2.20 The outstanding defects liability was costed by the Quantity Surveyor and formed part of the settlement negotiations. The programme of work has been tendered and will be monitored against the funds available.

- 1.2.21 **Tunbridge Wells Library**– there is a risk that planning approval will not be agreed by the Secretary of State. Also, as this is a listed building there is a risk that once work starts issues could be found which increase the scope and cost of works.
- 1.2.22 **Edenbridge Community Centre** – The project is now due to complete early 2013 but any further delay could impact further on the opening. This is a design and build contract signed at a fixed price, limiting KCC's exposure to increased costs.
- 1.2.23 **Web Platform** – There is no annual budget to fund improvements/enhancements to kent.gov once this fixed term project expires.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

N/A

BUSINESS STRATEGY & SUPPORT DIRECTORATE SUMMARY JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

- 1.1.1 The cash limits that the Directorate is working to, **and upon which the variances in this report are based**, include adjustments for both formal virement and technical adjustments, the latter being where there is no change in policy. The Directorate would like to request formal virement through this report to reflect adjustments to cash limits for changes required in respect of the allocation of previously unallocated budgets, where further information regarding allocations and spending plans has become available since the budget setting process and to reflect adjustments required as a result of the finalisation of restructuring. This primarily relates to changes to Finance and Procurement, which increase both gross and income by £0.201m, and Property and Infrastructure, where gross and income budgets have been increased by £1.200m to reflect the recharging of costs to the Community Learning Service. In addition, within the Regeneration and Economic Development portfolio, there have been revisions to the Development Staff and Projects budget to reflect changes in the external funding of a number of projects. This has increased gross by £1.093m and income by £1.055m; the difference of +£0.038m on gross is a correction to the element of this budget that sits within the Enterprise and Environment Directorate and therefore a corresponding reduction is shown within Annex 4 of this report.

There have also been a number of corporate adjustments to cash limit to reflect the allocation of £1.079m roll forward from 2011-12 as approved by Cabinet on 9 July, and a number of other technical adjustments to budget i.e. where there is no change in policy, or where there has been a transfer of responsibilities between units where the effects of the Council restructure are still being refined. These adjustments total -£1.329m on gross and +£0.399m income.

Therefore, the overall movement in cash limits shown in table 1a below is an increase in the gross expenditure budget of £2.244m (+£0.201m + £1.200m + £1.093m + £1.079m - £1.329m from above) and an increase in the income budget of £2.057m (-£0.201m - £1.200m - £1.055m + £0.399 from above).

Table 1a shows:

- the published budget,
- the proposed budget following adjustments for both formal virement and technical adjustments, together with roll forward from 2011-12 as approved by Cabinet in July and the inclusion of 100% grants (i.e. grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 to the executive summary,
- the total value of the adjustments applied to each A-Z budget line.

Cabinet is asked to approve these revised cash limits

Table 1b shows the latest monitoring position against these revised cash limits.

1.1.2.1 **Table 1a** below details the change in cash limits by A-Z budget since the published budget:

Budget Book Heading	Original Cash Limit			Revised Cash Limit			Movement		
	G	I	N	G	I	N	G	I	N
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Regeneration & Economic Development portfolio									
Directorate Management & Support	166		166	166	0	166	0	0	0
Development Staff & Projects	3,731	-263	3,468	4,823	-1,319	3,504	1,092	-1,056	36
Total R&ED portfolio	3,897	-263	3,634	4,989	-1,319	3,670	1,092	-1,056	36
Finance & Business Support portfolio									
Finance & Procurement	20,008	-7,644	12,364	18,866	-7,468	11,398	-1,142	176	-966
HR Business Operations	7,710	-5,666	2,044	0	0	0	-7,710	5,666	-2,044
Total F&BS portfolio	27,718	-13,310	14,408	18,866	-7,468	11,398	-8,852	5,842	-3,010
Business Strategy, Performance & Health Reform portfolio									
Strategic Management & Directorate Support budgets	2,969	-4,581	-1,612	2,897	-4,520	-1,623	-72	61	-11
Governance & Law	10,339	-12,470	-2,131	10,368	-12,470	-2,102	29	0	29
Business Strategy	3,362	-99	3,263	3,318	-139	3,179	-44	-40	-84
Property & Infrastructure	26,279	-2,931	23,348	27,416	-4,118	23,298	1,137	-1,187	-50
Human Resources	11,534	-3,115	8,419	19,287	-8,852	10,435	7,753	-5,737	2,016
Information & Communication Technology	31,643	-13,967	17,676	33,042	-13,967	19,075	1,399	0	1,399
Public Health - Local Involvement Network	533	-60	473	0	0	0	-533	60	-473
Total BSP&HR portfolio	86,659	-37,223	49,436	96,328	-44,066	52,262	9,669	-6,843	2,826
Democracy & Partnerships portfolio									
Finance - Internal Audit	854	-34	820	1,130	-34	1,096	276	0	276
Business Strategy - International, Partnerships & Cabinet Office	928	-223	705	998	-223	775	70	0	70
Democratic & Member Services	3,953	-3	3,950	3,942	-3	3,939	-11	0	-11
Local Democracy:									
- Member Grants incl. County Council Elections	1,273		1,273	1,273	0	1,273	0	0	0
Total D&P portfolio	7,008	-260	6,748	7,343	-260	7,083	335	0	335
Total BSS Controllable	125,282	-51,056	74,226	127,526	-53,113	74,413	2,244	-2,057	187

1.1.2.2 **Table 1b** below details the revenue position by A-Z budget against adjusted cash limits as shown in table 1a:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Regeneration & Economic Development portfolio							
Directorate Management & Support	166	0	166	0	0	0	
Development Staff & Projects	4,823	-1,319	3,504	0	0	0	
Total R&ED portfolio	4,989	-1,319	3,670	0	0	0	
Finance & Business Support portfolio							
Finance & Procurement	18,866	-7,468	11,398	-150	0	-150	Many staff appointed at bottom of grade; budget based on mid-point of grade
HR Business Operations	0	0	0	0	0	0	
Total F&BS portfolio	18,866	-7,468	11,398	-150	0	-150	

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Business Strategy, Performance & Health Reform portfolio							
Strategic Management & Directorate Support budgets	2,897	-4,520	-1,623	0	0	0	
Governance & Law	10,368	-12,470	-2,102	-986	1,060	74	Revised business objectives as a result of unit's Evolution programme
Business Strategy	3,318	-139	3,179	0	0	0	
Property & Infrastructure	27,416	-4,118	23,298	1,351	-700	651	Extension to leasehold payments; more cautious approach to capitalising spend
Human Resources	19,287	-8,852	10,435	-60	355	295	Under recovery of income on Schools Personnel Services, partially offset by underspend on staffing; increased demand resulting staffing pressure on Employee Services
Information & Communication Technology	33,042	-13,967	19,075	0	0	0	
Public Health - Local Involvement Network	0	0	0	0	0	0	
Total BSP&HR portfolio	96,328	-44,066	52,262	305	715	1,020	
Democracy & Partnerships portfolio							
Finance - Internal Audit	1,130	-34	1,096	0	0	0	
Business Strategy - International, Partnerships & Cabinet Office	998	-223	775	0	0	0	
Democratic & Member Services	3,942	-3	3,939	-16	-58	-74	to offset pressure on Governance & Law
Local Democracy:							
- Member Grants incl. County Council Elections	1,273	0	1,273	0	0	0	
Total D&P portfolio	7,343	-260	7,083	-16	-58	-74	
Total BSS Controllable	127,526	-53,113	74,413	139	657	796	
Assumed Management Action:							
- R&ED portfolio						0	
- F&BS portfolio						0	
- BSP&HR portfolio				-946		-946	P&I & HR action - see section 1.1.7
- D&P portfolio						0	
Forecast after Mgmt Action				-807	657	-150	

1.1.3 Major Reasons for Variance: *[provides an explanation of the 'headings' in table 2]*

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

Finance & Business Support portfolio:

1.1.3.1 Finance & Procurement: Gross -£150k, Income Nil, Net -£150k

The projected under-spend against gross expenditure results from many appointments to the new finance structure being made at the bottom of grade, whereas the budget is set at mid-point of grade.

1.1.3.2 Human Resources – Business Operations

Following the transfer of Portfolio responsibilities in July this budget now forms part of the Human Resources heading within Business Strategy, Performance & Health Reform.

Business Strategy, Performance & Health Reform portfolio:

1.1.3.3 Governance & Law: Gross -£986k, Income +£1,060k, Net +£74k

There is a significant underspend on gross of -£1,025k and a corresponding +£1,025k under-recovery of income due to revised business objectives. In 2012/13 Governance and Law, as part of its 'Evolution, Efficiency, Enterprise' project, is seeking to reduce the cost of legal services to the Council, increase its external trading revenues, and deliver a net surplus of £2.1m. This is a change from the original budget assumption which sought to increase revenue receipts through increasing the team numbers to meet anticipated client service needs. Overall therefore, gross costs have reduced from the budget assumption as team numbers are not as high, but income has also reduced. The unit will shortly be re-profiling its budgets and will look for formal approval of these changes in the second quarter's report. There are also some smaller variances on gross and income totalling +£39k on gross and +£35k on income giving a small net pressure of £74k. This will be covered by a corresponding under-spend within Democratic and Member Services (as shown in table 1b).

1.1.3.4 Property & Infrastructure: Gross +£1,351k, Income -£700k, Net +£651k

Property Group is forecasting a £1,351k gross pressure with a compensating increase in income of £700k in their revenue budget.

The Property revenue budget has been reduced by £3.56m over the past two years in respect of 'Total Place' savings. It was expected that these savings would primarily be generated by coming out of leasehold properties as soon as leases came to an end. Service transformations and restructures throughout the Council, together with the formulation of the new Work Place Transformation Strategy, have resulted in the requirement to extend a number of leases and thus push delivery of some savings to later years. Additionally, revisions to Authority-wide service plans have impacted on the demands for property estate requirements, resulting in a pressure in the current year. Delivery of these savings is a top priority for management action and therefore a full review of all 'Total Place' potential savings, alongside current service plans, is being undertaken to determine the revised phasing of the savings to be reflected in the 2013-16 MTFP.

Additionally, in accordance with accounting requirements, many items of expenditure which have traditionally been capitalised, must be charged to and funded through revenue. As a result Property Group is planning to use £700k of the DFE Local Authority Capital Maintenance Grant, currently shown within their capital budget, to cover this expenditure, as the grant rules allow us to fund revenue expenditure from it.

1.1.3.5 Human Resources: Gross -£60k, Income +£355k, Net +£295k

The Schools Personnel Service has extremely challenging income targets which, with further delegations of funding and responsibilities to schools, require business to be secured on a school by school basis. Consequently SPS are forecasting an under-delivery of income of **+£515k**, but also a partially compensating underspend, mainly on salaries of **-£360k**. In addition, HR is continuing to face increased demand to support many Divisional restructures and transformation programmes throughout this year, which is putting pressure on many units, and as a result Employee Services are forecasting a gross pressure of **+£151k**, mainly on staffing, which is partially offset by increased income of £63k. There are a number of smaller pressures against the rest of Human Resources, including Health and Safety, the Divisional budget and the 'Grads Kent' website, although the latter is more than offset with extra income. There is also a small over-recovery in income generated through the Teacher Recruitment & Retention Team.

The Division continues to review all HR processes including the Employee Services Centre. In the wider context, it may be possible to find savings and efficiencies from elsewhere within HR, possibly from on-going restructures within the unit. However, at present Learning and Development is still in the process of centralising training budgets across the Authority and does not yet have the results of the Authority-wide training requirements. Further clarity on the budgets and aspirations in this area are therefore being sought and an update will be provided in the second quarter's report.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
BSPHR	Property & Infrastructure Gross - extension to leasehold payments; more cautious approach to capitalising expenditure	+1,351	BSPHR	Governance & Law Gross - revised business objectives	-1,025
BSPHR	Governance & Law Income - revised business objectives	+1,025	BSPHR	Property and Infrastructure Income - Use of Local Authority Capital Maintenance Grant to fund revenue expenditure previously categorised as capital	-700
BSPHR	Human Resources Income - under-recovery of income target by Schools Personnel Service	+515	BSPHR	Human Resources Gross - under-spend on Schools Personnel Service mainly on salaries, partially off-setting under delivery of income target	-360
BSPHR	Human Resources Gross - pressure on Employee Services budget mainly on staffing	+151	F&BS	Finance & Procurement Gross - staffing underspend	-150
		+3,042			-2,235

1.1.4 Actions required to achieve this position:

None

1.1.5 Implications for MTFP:

The MTFP assumes a breakeven position for 2012-13. However Property may need to flag an on-going pressure once the review of all potential 'Total Place' savings and their phasing has been completed. Once quantified, the impact of the changes in our accounting for capitalisation of expenditure will also need to be reflected in the MTFP.

1.1.6 Details of re-phasing of revenue projects:

None

1.1.7 Details of proposals for residual variance:

The Directorate is wholly committed to delivering a balanced outturn position by the end of the financial year and will continue to consider all options to ensure this happens. Robust arrangements are in place on a monthly basis to ensure that forecasts and expenditure are closely monitored and where necessary challenged.

1.1.7.1 Property and Infrastructure

Property are undertaking an urgent and robust review of all savings deliverable through the rationalisation of the property estate, both in respect of the phasing of these savings and whether there are additional costs involved in delivering these savings, and the impact of changes to service plans. This information will be reflected in the MTFP for 2013-16.

1.1.7.2 Human Resources

The Division continues to review all HR processes and it is anticipated it will find savings and efficiencies from elsewhere within HR. The Division will also look at the findings of the recent Lean efficiency review to provide options to achieve other savings.

1.2 CAPITAL

1.2.1 All changes to cash limits are in accordance with the virement rules contained within the constitution and have received the appropriate approval via the Leader, or relevant delegated authority.

1.2.2 The Business Strategy and Support directorate has an approved budget for 2012-15 of £137.603m (see table 1 below). The forecast outturn against this budget is £127.193m, giving a variance of -£10.410m.

1.2.3 Tables 1 to 3 summaries the Directorate's approved budget and forecast.

1.2.4 Table 1 – Revised approved budget

	Total	Business Strategy, Performance & Health Reform	Regeneration & Economic Development	
	£m	£m	£m	
Approved budget last reported to Cabinet	131.581	28.088	103.493	
Approvals made since last reported to Cabinet	6.022	5.997	0.025	e.g. roll forwards, additional fund & virements
Revised approved budget	137.603	34.085	103.518	

1.2.5 Table 2 – Further changes to budget for Cabinet to approve

1.2.6 Cabinet is asked to approve that the underspend of £0.193m on solar panels is moved back to the Energy Efficiency & Renewable Energy in the KCC Estate project which is in approval to plan.

1.2.7 Table 3 – Summary of Variance

	Total	Business Strategy, Performance & Health Reform	Regeneration & Economic Development
Reason	£m	£m	£m
Unfunded variance			
Funded variance (from table 2)	0.000	0.000	0.000
Variance funded by revenue	0.000	0.000	0.000
Project underspend	-0.700	-0.700	0.000
Rephasing (beyond 2012-15)	-9.710	0.000	-9.710
Total variance	-10.410	-0.700	-9.710

Main reasons for variance

1.2.8 Table 4 below, details each scheme indicating all variances and the status of the scheme. Each scheme with a Red or Amber status will be explained including what is being done to get the scheme back to budget/on time.

1.2.9 Table 4 – Scheme Progress

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
	£m	£m	£m	£m	£m	£m	£m	£m	
	(a) = b+c+d	(b)	(c)	(d)	(e)	(f)	(g) = (e-c)	h)=(b+e+f)-a	
BSSHP									
Modernisation of Assets	17.973	0.000	13.232	4.741	13.232	4.741	0.000	0.000	
Disposal Costs	1.000	0.000	0.750	0.250	0.750	0.250	0.000	0.000	
Corporate Property Strategic Capital	2.851	0.000	2.851	0.000	2.151	0.000	-0.700	-0.700	
Connecting Kent	1.208	1.208	0.000	0.000	0.000	0.000	0.000	0.000	
Connecting with Kent	1.914	1.154	0.760	0.000	0.760	0.000	0.000	0.000	
Oracle Release 12	1.549	1.199	0.350	0.000	0.350	0.000	0.000	0.000	
Oracle Self Service Development	0.516	0.449	0.067	0.000	0.067	0.000	0.000	0.000	
Property Asset Management System	0.310	0.000	0.310	0.000	0.310	0.000	0.000	0.000	
Sustaining Kent - Maintaining the Infrastructure	8.932	5.962	2.970	0.000	2.970	0.000	0.000	0.000	
Better Workplaces / Work Place Transformation	1.054	1.030	0.024	0.000	0.024	0.000	0.000	0.000	
Connecting Kent	0.874	0.000	0.874	0.000	0.874	0.000	0.000	0.000	
Enterprise Resource Programme (PHASE 1)	1.234	0.000	1.234	0.000	1.234	0.000	0.000	0.000	
Energy Efficiency & Renewable Energy in the KCC Estate - solar panels (spend)	0.321	0.000	0.321	0.000	0.128	0.000	-0.193	-0.193	
Integrated Childrens System	1.314	0.000	1.314	0.000	1.314	0.000	0.000	0.000	
Faversham Family Centre	0.026	0.000	0.026	0.000	0.026	0.000	0.000	0.000	
Energy Efficiency & Renewable Energy in the KCC Estate (plan)	0.182	0.000	0.182	0.000	0.375	0.000	0.193	0.193	
Enterprise Resource Programme (PHASE 2)	0.500	0.000	0.500	0.000	0.500	0.000	0.000	0.000	
Better Workplaces / Work Place Transformation	8.807	0.487	8.320	0.000	8.320	0.000	0.000	0.000	
BSSHP Total	50.565	11.489	34.085	4.991	33.385	4.991	-0.700	-0.700	

Scheme name	Total cost	Previous spend	2012-15 approved budget	Later Years approved budget	2012-15 Forecast spend	Later Years Forecast spend	2012-15 Variance	Total project variance	Status Red/amber/green
Regen									
East Kent Empty Property Initiative	6.625	5.356	1.269	0.000	1.269	0.000	0.000	0.000	
Euro Kent	6.398	5.974	0.424	0.000	0.424	0.000	0.000	0.000	
Dover Priory Station Approach Road	1.604	1.575	0.029	0.000	0.029	0.000	0.000	0.000	
Rural Broadband Demonstration Project	1.584	0.000	1.584	0.000	1.584	0.000	0.000	0.000	
Tontine Street Public Realm Improvement	0.100	0.006	0.094	0.000	0.094	0.000	0.000	0.000	
Old Town Hall Operating Costs Capital	0.150	0.006	0.144	0.000	0.144	0.000	0.000	0.000	
Swale Parklands	0.999	0.827	0.172	0.000	0.172	0.000	0.000	0.000	
Broadband	20.000	0.000	20.000	0.000	20.000	0.000	0.000	0.000	
Capital Regen Fund	14.351	0.000	11.851	2.500	11.851	2.500	0.000	0.000	
Empty property Initiative	8.451	0.000	5.951	2.500	5.951	2.500	0.000	0.000	
Margate Housing	10.000	0.000	10.000	0.000	10.000	0.000	0.000	0.000	
Regional Growth Fund	40.000	0.000	40.000	0.000	30.290	9.710	-9.710	0.000	Phasing
LAMS	12.000	0.000	12.000	0.000	12.000	0.000	0.000	0.000	
Regen Total	122.262	13.744	103.518	5.000	93.808	14.710	-9.710	0.000	

1.2.10 Status:

Green – Projects on time and budget

Amber – Projects either delayed or over budget

Red – Projects both delayed and over budget

1.2.11 Assignment of Green/Amber/Red Status

1.2.12 As this is the first of the new capital monitoring formats, the red/amber/green statuses are assigned from the current position. A project will not show as amber or red if they have been delayed or over budget in the past but this has now been resolved. Any such issues would have been reported on in previous monitoring reports to Cabinet.

1.2.13 Projects with variances to budget will only show as amber if the variance is unfunded, i.e. there is no additional grant, external or other funding available to fund.

1.2.14 Projects are deemed to be delayed if the forecast completion date is later than what is in the current project plan.

Amber and Red Projects – variances to cost/delivery date and why.

- 1.2.15 Regional Growth Fund – the rephasing of -£9.710m into 2016-17 is due to the re-profiling of the programme based on the best estimates of applications expected for the Expansion East Kent Fund.

Other significant variances

- 1.2.16 Corporate Property Strategic Capital – underspend of -£0.700m. In accordance with accounting requirements many items of expenditure which have traditionally been capitalised must be charged to and funded through revenue. As a result, property group is planning to use £0.700m of the DFE local authority capital maintenance grant currently shown here, to cover revenue expenditure as the grant rules allow us to do this.
- 1.2.17 Energy Efficiency & Renewable Energy in the KCC Estate - solar panels – the underspend of -£0.193m is due to a decision to reduce the number of buildings from 6 to 3, and also due to the cost of the solar panels having decreased in price. It is requested that the underspend is transferred back to the Energy Efficiency main budget in approval to plan in order to keep the total Energy Efficiency budget in tact. Plans are currently being worked up to use these monies for lighting upgrades and bio mass boilers.

Key issues and Risks

- 1.2.18 No key issues or risks have been identified.

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Capital Receipts – actual receipts compared to budget profile:

2.1.2 The total forecast receipts expected to come in during 2012-13 is £19.89m. This is broken down between the various “pots” as detailed in the tables below.

Capital Receipts

	2012-13
	£m
Capital receipt funding required for capital programme	16.385
Banked in previous years and available for use	3.202
Receipts from other sources*	4.558
Requiring to be sold this year	8.625
Forecast receipts for 2012-13	7.670
Potential Surplus/(Deficit)	-0.955

2.1.3 The total capital receipt funding required per the latest forecasts for 2012-13 totals £16.385m. Taking into account receipts banked in previous years which are available for use and receipts from other sources* (such as loan repayments from the Empty Property Initiative), the required level of receipts to achieve in 2012-13 is £8.625m.

2.1.4 Current forecasts show receipts expected in during 2012-13 will total £7.670m, which leaves a potential deficit on capital receipt funding in the capital programme of -£0.955m. This will be monitored over the coming months to ensure there will be adequate funding to meet the demands.

PEF1

2.1.5 County Council approved the establishment of the Property Enterprise Fund 1 (PEF1), with a maximum permitted deficit of £10m, but self-financing over a period of 10 years. The cost of any temporary borrowing will be charged to the Fund to reflect the opportunity cost of the investment. The aim of this Fund is to maximise the value of the Council's land and property portfolio through:

- the investment of capital receipts from the disposal of non operational property into assets with higher growth potential, and
- the strategic acquisition of land and property to add value to the Council's portfolio, aid the achievement of economic and regeneration objectives and the generation of income to supplement the Council's resources.

2.1.6 Any temporary deficit will be offset as the disposal of assets are realised. It is anticipated that the Fund will be in surplus at the end of the 10 year period.

2.1.7 Forecast 2012-13 position

	2012-13
	£m
Opening balance 1st April 2012	-5.567
Planned receipts	0.910
Costs	-0.343
Planned acquisitions	0.000
Closing balance	-5.000

2.1.8 The above table shows the opening balance on the fund as being -£5.567m. With forecast PEF1 receipts of £0.910m and associated costs of £0.343m this results in a forecast closing balance of -£5.000m, which is within the permitted £10m overdraft limit.

Revenue position

2.1.9 The balance brought forward at the 1st April 2012 was -£2.328m. The anticipated net income from managing the properties held within the fund is estimated at £0.035m, but with the need to fund costs of borrowing -£0.492m against the overdraft facility, the PEF1 is forecasting a £2.785m deficit on revenue, which will be rolled to be met from future income streams.

PEF2

2.1.10 County Council approved the establishment of PEF2 in September 2008 with a maximum permitted overdraft limit of £85m, but with the anticipation of the fund broadly breaking even over a rolling five year cycle. However, due to the slower than expected recovery, breakeven, is likely to occur over a rolling seven to eight year cycle. The purpose of PEF2 is to enable Directorates to continue with their capital programmes as far as possible, despite the downturn in the property market. The fund will provide a prudent amount of funding up front (prudential borrowing), in return for properties which will be held corporately until the property market recovers.

2.1.11 Overall Forecast Position on the Fund:

	2012-13 £m
<u>Capital:</u>	
Opening balance	-14.196
Properties to be agreed into PEF2	0
Forecast sale of PEF2 properties **	11.097
Disposal costs	-0.413
Closing balance	-3.512
<u>Revenue:</u>	
Opening balance	-4.231
Interest on borrowing	-0.426
Holding costs	-0.046
Closing balance	-4.703
Overall closing balance	-8.215

** Figure is net of contributions required to pay out of disposal value of £0.213m.

2.1.12 The forecast closing balance on the fund is -£8.215m, within the overdraft limit of £85m.

2.1.13 The forecast position on both PEF funds show that the funds are operating well within their acceptable parameters.

FINANCING ITEMS SUMMARY

JUNE 2012-13 FULL MONITORING REPORT

1. FINANCE

1.1 REVENUE

1.1.1 All changes to cash limits are in accordance with the virement rules contained within the constitution, with the exception of those cash limit adjustments which are considered “technical adjustments” ie where there is no change in policy, including:

- Allocation of grants and previously unallocated budgets where further information regarding allocations and spending plans has become available since the budget setting process.
- Cash limits have been adjusted since the budget was set to reflect the addition of £5.316m of roll forward from 2011-12, to transfer to the Economic Downturn reserve, as approved by Cabinet in July, and a number of other technical adjustments to budget.
- The inclusion of new 100% grants (ie grants which fully fund the additional costs) awarded since the budget was set. These are detailed in Appendix 1 of the executive summary.

1.1.2 **Table 1** below details the revenue position by Service Unit:

Budget Book Heading	Cash Limit			Variance			Comment
	G	I	N	G	I	N	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
Finance & Business Support Portfolio							
Carbon Reduction Commitment Levy	400		400			0	
Contribution to/from Reserves	9,962		9,962	159		159	transfer of 12-13 write down of discount saving from 08-09 debt restructuring to reserves
Underspend rolled forward from 11-12	-3,079		-3,079			0	
Insurance Fund	4,679		4,679			0	
Modernisation of the Council	3,500		3,500			0	
Contingency for Children's Improvement Plan	0		0			0	
Net Debt Charges (incl Investment Income)	130,968	-9,048	121,920	-5,478	1,770	-3,708	2012-13 write down of discount saving from 2008-09 debt restructuring; re-phasing of capital programme in 11-12 has provided savings on debt charges & MRP; underspend on leases
Other	2,364	-36	2,328	0	0	0	
Unallocated	3,048	0	3,048	0	0	0	
Unringfenced Government Grants		-90,589	-90,589			0	
Total F&BS portfolio	151,842	-99,673	52,169	-5,319	1,770	-3,549	
Business Strategy, Performance & Health Reform portfolio							
Contribution to IT Asset Maintenance Reserve	3,302		3,302			0	
Democracy & Partnerships portfolio							
Audit Fees	464		464			0	
Total Controllable	155,608	-99,673	55,935	-5,319	1,770	-3,549	

1.1.3 Major Reasons for Variance: [provides an explanation of the 'headings' in table 2]

Table 2, at the end of this section, details all forecast revenue variances over £100k. Each of these variances is explained further below:

1.1.3.1 Net Debt Charges (including Investment Income):

- There is a saving of £0.159m which relates to the write-down in 2012-13 of the £4.024m discount saving on debt restructuring undertaken at the end of 2008-09. (£3.865m was written down during the period 2008-12).
- There is a saving of £3.149m as a result of deferring borrowing in 2011-12 due to the re-phasing of the capital programme and also no new borrowing was taken in the first quarter of 2012-13 and cash balances have been relatively high during the first quarter of the year. In addition, the re-phasing of the capital programme in 2010-11 is likely to provide a saving on Minimum Revenue Provision (MRP) as it is likely that fewer assets became operational than anticipated. As reported in 2010-11, we have adopted the asset life method of calculating MRP. This method provides authorities with the option of applying MRP over the life of the asset once it is in operation, so for assets that are not yet operational and still under construction we effectively have an "MRP holiday". However, once these assets do become operational we will incur MRP in the following year. MRP is based on capital expenditure incurred in the previous year and therefore cannot be calculated until the previous year's accounts have been finalised and audited. This very complex calculation is currently being undertaken and therefore further details and confirmation of the level of saving will be provided in future reports.
- A £0.4m underspend against the leases budget is expected reflecting a continuation of the trend of recent years.

1.1.3.2 Contributions to/from reserves:

As planned, the £0.159m write down of the discount saving earned from the debt restructuring in 2008-09, will be transferred to the Economic Downturn reserve to offset the Icelandic investments impairment cost incurred in 2010-11.

Table 2: REVENUE VARIANCES OVER £100K IN SIZE ORDER

(shading denotes that a pressure has an offsetting saving, which is directly related, or vice versa)

Pressures (+)			Underspends (-)		
portfolio		£000's	portfolio		£000's
F&BS	Contribution to economic downturn reserve of 2012-13 write down of discount saving from 2008-09 debt restructuring	+159	F&BS	savings on debt charges & MRP due to re-phasing of capital programme in 11-12, together with no new borrowing in 12-13	-3,149
			F&BS	underspend on leases	-400
			F&BS	2012-13 write down of discount saving from 2008-09 debt	-159
		+159			-3,708

1.1.4 Actions required to achieve this position:

N/A

1.1.5 Implications for MTFP:

N/A

1.1.6 Details of re-phasing of revenue projects:

N/A

1.1.7 Details of proposals for residual variance: [eg roll forward proposals; mgmt action outstanding]

Currently the underspending on the Financing Items budgets is offsetting pressures elsewhere across the authority.

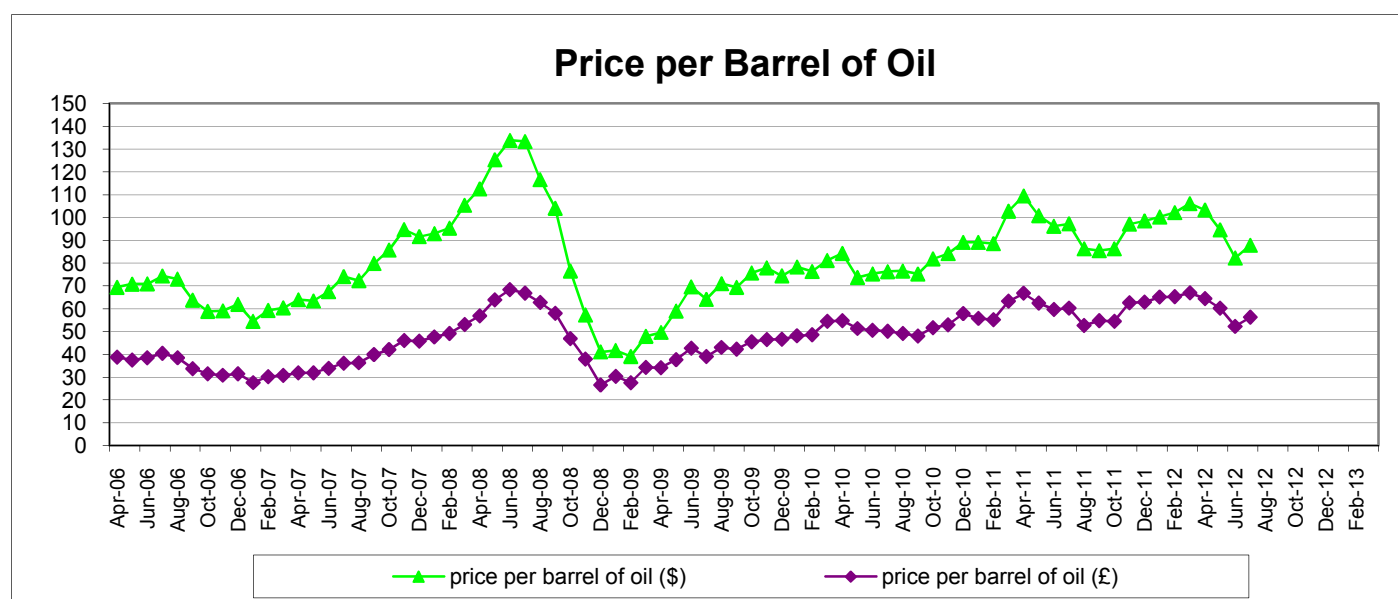
1.2 CAPITAL

N/A

2. KEY ACTIVITY INDICATORS AND BUDGET RISK ASSESSMENT MONITORING

2.1 Price per Barrel of Oil – average monthly price in dollars since April 2006:

Price per Barrel of Oil							
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	\$	\$	\$	\$	\$	\$	\$
April	69.44	63.98	112.58	49.65	84.29	109.53	103.32
May	70.84	63.45	125.40	59.03	73.74	100.90	94.65
June	70.95	67.49	133.88	69.64	75.34	96.26	82.30
July	74.41	74.12	133.37	64.15	76.32	97.30	87.90
August	73.04	72.36	116.67	71.05	76.60	86.33	
September	63.80	79.91	104.11	69.41	75.24	85.52	
October	58.89	85.80	76.61	75.72	81.89	86.32	
November	59.08	94.77	57.31	77.99	84.25	97.16	
December	61.96	91.69	41.12	74.47	89.15	98.56	
January	54.51	92.97	41.71	78.33	89.17	100.27	
February	59.28	95.39	39.09	76.39	88.58	102.20	
March	60.44	105.45	47.94	81.20	102.86	106.16	



Comments:

- The figures quoted are the West Texas Intermediate Spot Price in dollars per barrel, monthly average price.
- The dollar price has been converted to a sterling price using exchange rates obtained from the HMRC UKtradeinfo website.